DRONE DESTINATION
#EverythingDrones

2025-26 ANNUAL REPORT

Accepted
Adopted
Everywhere

www.thedronedestination.com

THE FUTURE IS AERIAL - Drones becoming Part of Everyday Life

OVERVIEW

The drone has moved beyond being a novelty or a specialist tool — it is steadily becoming everyday infrastructure. What began as an emerging technology met with caution is now being welcomed into homes, farms, factories, city administrations, and defence establishments alike. As familiarity grows and use-cases multiply, drones are following a natural arc: from being eventually accepted, to being universally adopted, to becoming integrated everywhere — quietly woven into how India works, moves, monitors, and responds. Drone Destination believes this is not a passing trend, but the foundation of how everyday life and enterprise will operate in the years ahead.

FROM SKEPTICISM TO EVERYDAY UTILITY

• Early hesitation giving way to growing trust, familiarity and comfort with drone technology • Rising awareness of safety, reliability and precision across users and institutions	• Supportive policy and regulatory push accelerating mainstream adoption • Expanding use-cases making drones a practical, everyday choice rather than an experiment

WHERE DRONES ARE ALREADY BECOMING PART OF LIFE

- Agriculture — crop monitoring & spraying
- Security & surveillance — public spaces, events, borders
- Infrastructure & industry — asset inspection at scale
- Logistics — last-mile and heavy-lift delivery
- Disaster response — rapid assessment & relief
- Defence — reconnaissance and field support

DRONE DESTINATION'S ROLE

As a publicly listed drone services and training company, Drone Destination sits at the centre of this shift — building turn-key solutions across civil and defence sectors, and continually launching new segments (mobile surveillance, asset inspection, heavy-lift delivery, and more) to meet this future as it arrives. Each new initiative is a step toward a simple belief: the drone will not remain a specialist tool — it will become a normal, trusted part of everyday life.

Eventually Accepted
Convinced at Heart

Universally Adopted
Across all Sectors

Integrated Everywhere
Nationwide across Regions

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Chirag Sharma, Managing Director

Ms Shashi Bala, Executive Director

Mr Raminder Verma, Non-Executive Director

Mr Rajiv Ahuja, Independent Director

Mr Satendra Singh, Independent Director

KEY MANAGERIAL PERSONNEL

Mr Chirag Sharma, Chief Executive Officer

Mr Arun Kumar, Chief Financial Officer

Ms Ayushi Gupta, Company Secretary & Compliance Officer

STATUTORY AUDITORS

Gams & Associates LLP
Chartered Accountants
Firm Regn. No. N500094

SECRETARIAL AUDITORS

A.K. ROY & Associates
Company Secretary

REGISTERED OFFICE

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Office No. 005B and 006, Ground Floor,
NSIC Business Park,
Okhla Phase-III,
Delhi – 110020, India

CORPORATE OFFICE

Drone Destination Ltd,
Office No. 005B and 006, Ground
Floor, NSIC Business park,
Okhla Phase-III,
Delhi – 110020, India

REGISTRAR & TRANSFER AGENTS

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451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi - 110034, India

Listed at

National Stock Exchange of India Ltd. (NSE Emerge)

COMMITTEES OF BOARD

Audit Committee
Nomination & Remuneration Committee
Stakeholder's Relationship Committee
Corporate Social Responsibility Committee
POSH Committee

Changing Paradigm in the Drone Industry: 2025–26

FROM REGULATORY REFORM TO STRATEGIC SOVEREIGNTY

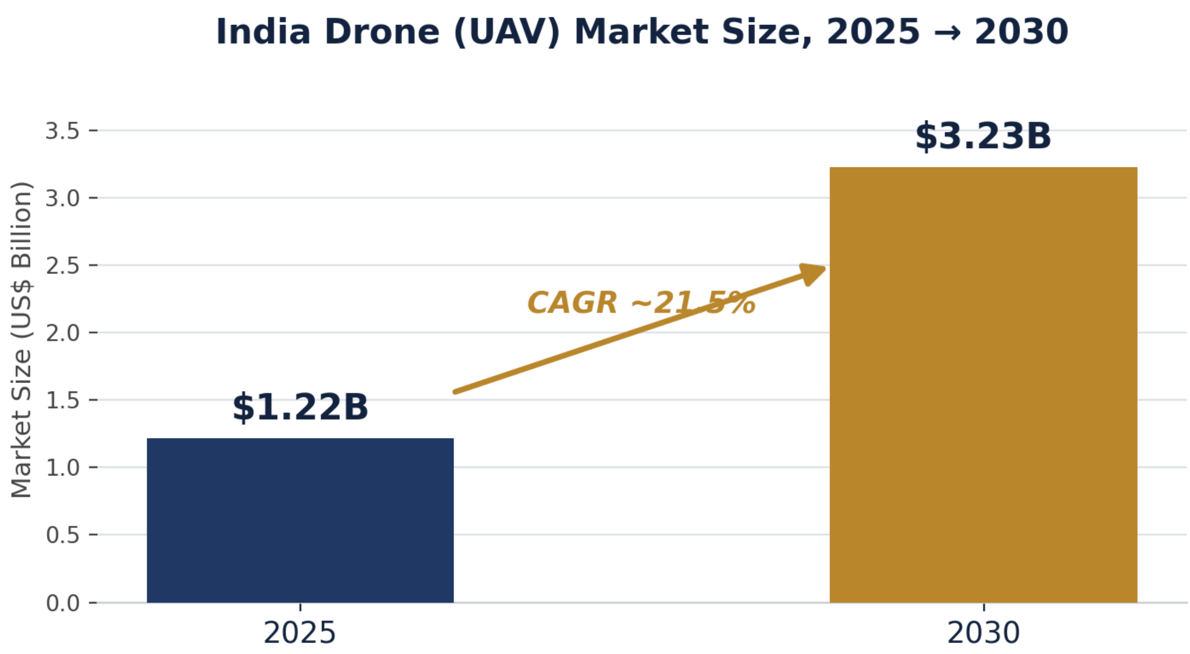
KEY HIGHLIGHTS & EXECUTIVE SUMMARY

- **Market inflection —** India's drone market, valued at roughly USD 1.22 billion in 2025, is projected to nearly triple to USD 3.23 billion by 2030, growing at a CAGR of about 21.5%.
- **Security-first pivot —** Operation Sindoor (May 2025) shifted the national conversation on drones from industrial policy to strategic necessity, accelerating indigenous development and counter-drone induction.
- **Fiscal escalation —** A special Ministry of Defence allocation of ₹2,000 crore (July 2025) and a proposed five-year, ~₹10,000 crore manufacturing framework (Budget 2026) have layered on top of the original PLI outlay.
- **Widening application base —** Growth is no longer confined to defence: agriculture (Namo Drone Didi), disaster response, logistics and infrastructure monitoring are all expanding, aided by GST rationalisation in September 2025.

1. A Market at an Inflection Point

India's drone sector enters FY 2025–26 at a genuine turning point. Having moved through its early, reform-driven phase — marked by the Drone Rules of 2021 and the liberalised export authorisation introduced in 2023 — the industry is now shifting from policy experimentation to commercial and strategic scale-up.

The numbers reflect this shift. India's drone (UAV) market was valued at approximately USD 1.22 billion in 2025 and is projected to reach USD 3.23 billion by 2030, implying a compound annual growth rate of roughly 21.5% over the period. Growth is being driven jointly by defence modernisation, expanding civilian use cases, and a policy environment that has become steadily more permissive and better funded.



India's UAV market is projected to nearly triple between 2025 and 2030.

2. From Industrial Policy to Strategic Imperative

For much of the period since 2021, India's drone policy was framed primarily as an industrial and economic opportunity — import substitution, MSME growth, and export potential. Operation Sindoor, the four-day military exchange with Pakistan in May 2025, changed that framing. For the first time, Indian and adversary forces employed unmanned systems at scale in real combat conditions, and the operation is widely regarded as a turning point in how the country's defence establishment thinks about unmanned and counter-unmanned systems.

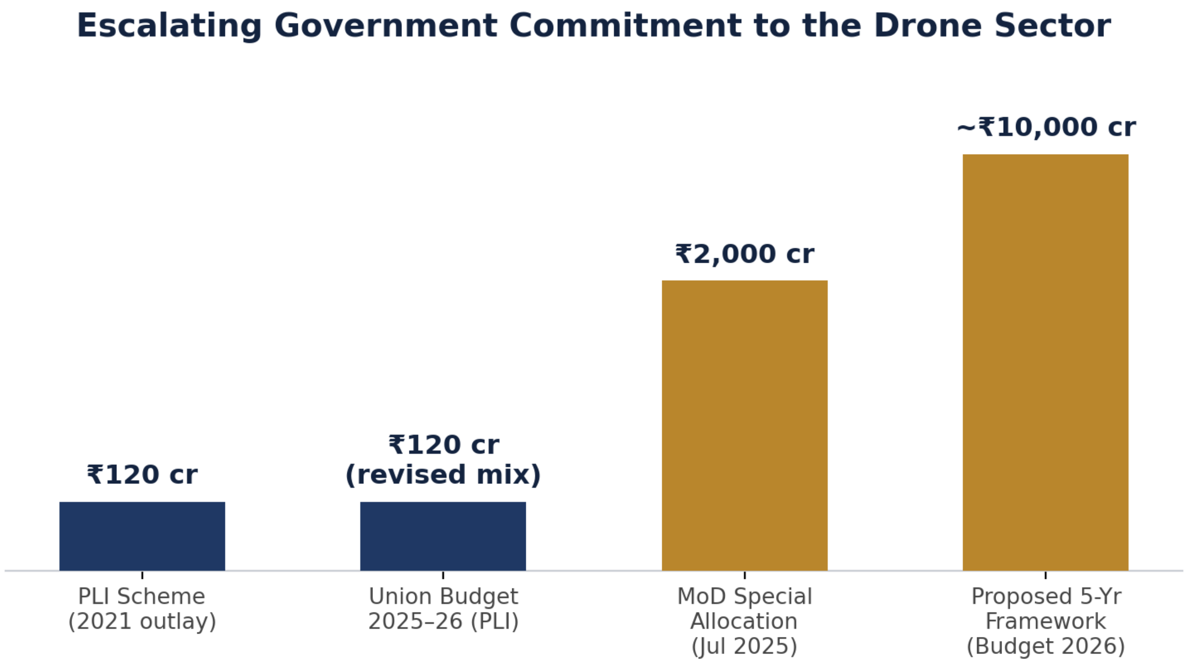
In its aftermath, the armed forces moved quickly to absorb the operational lessons: fast-tracked procurement of drones and counter-drone systems, dedicated training infrastructure such as the BSF's newly established drone warfare school, and structured military exercises built specifically around offensive and defensive drone tactics. Drones have moved from being a peripheral capability to a core element of India's military doctrine, discussed at the level of national security planning rather than industrial policy alone.

Key milestones in the sector's shift from regulatory reform to strategic priority.

3. The Funding Escalation

The strategic reframing of drones has been matched by a marked escalation in fiscal commitment. The original Production-Linked Incentive (PLI) scheme for drones, introduced in September 2021, carried a modest outlay of ₹120 crore. The Union Budget for 2025–26 preserved that overall envelope but shifted its internal allocation to reflect growing industry uptake.

That baseline was overtaken within months. In July 2025, in the aftermath of Operation Sindoor, the Ministry of Defence announced a special allocation of ₹2,000 crore for the domestic drone industry over a three-year horizon, explicitly framed around reducing dependence on foreign platforms. By December 2025, a further and considerably larger proposal had emerged: a five-year, manufacturing-focused incentive structure aligned with the 16th Finance Commission period, with a potential outlay in the region of ₹10,000 crore, combining capital-spending subsidies with additional manufacturing-support layers.



Government funding commitments have scaled sharply since mid-2025 (log scale).Media Sources

4. Widening the Application Base

While defence continues to dominate headlines, the underlying growth story is broader. On the civilian side, the Namo Drone Didi programme continues to expand women-led drone entrepreneurship in agriculture, extending drone-based spraying and crop-monitoring services into rural areas that previously had little exposure to the technology. During the north-west Indian floods in 2025, the Army used drones in place of helicopters for both observation and the delivery of relief material to cut-off areas — a visible demonstration of dual-use value beyond defence.

Cost barriers have also come down. In September 2025, the government rationalised the GST structure applicable to drones, removing the earlier 18% and 28% slabs and extending the simplified rate to flight and motion simulators used in pilot training. Lower and more predictable taxation supports both commercial adoption and the training ecosystem that underpins it, reinforcing demand from logistics, infrastructure monitoring, and smart-city applications alongside agriculture and defence.

5. Building Sovereign Capability

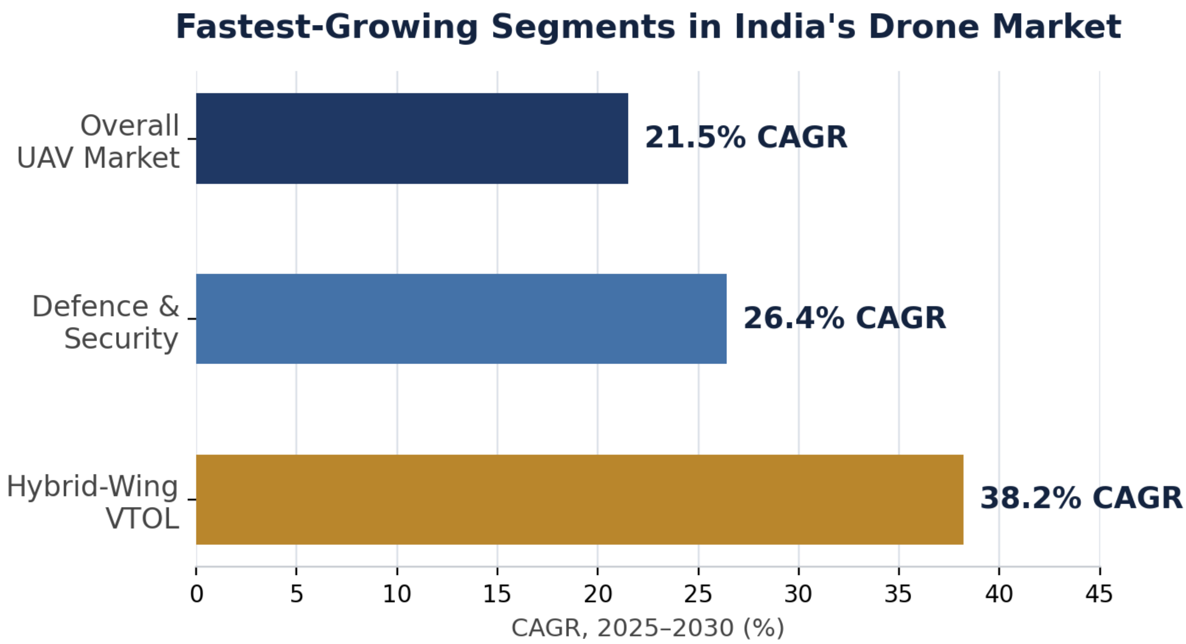
India's approach to the sector now rests on what industry analysts describe as a four-layer sovereignty framework: the Drone Rules 2021 as the regulatory base; import restrictions on foreign drones introduced in February 2022; the PLI scheme and Drone

Shakti incentive stack; and the iDEX defence-innovation pipeline, which had cleared 58 prototypes worth ₹3,853 crore for procurement by February 2026.

Localisation remains the next binding constraint. An estimated 50–60% of drone components used in India are still imported, and recent policy proposals aim to lift domestic value addition toward 30% of total value through targeted incentives for component manufacturing — batteries, sensors, flight controllers and communication modules in particular. Counter-drone capability has developed alongside offensive systems: officials have pointed to layered air-defence measures, including cost-effective legacy systems repurposed against small drones, as a practical complement to more advanced counter-UAS technology.

6. Where Growth Is Concentrated

Within the broader market, growth rates vary significantly by segment. The defence and security segment is expected to grow faster than the market as a whole, driven by military procurement and surveillance requirements, while the hybrid-wing VTOL category — valued for its versatility and operational efficiency — is projected to be the single fastest-growing platform type through 2030.



Defence-linked and hybrid-VTOL segments are outpacing the broader market. Media Sources

7. Outlook: Testing Whether the Shift Is Structural

The events of 2025–26 mark less a single reform and more a change in how drones are understood across government, industry, and the armed forces — **from a promising but**

niche technology to a sector treated as central to both economic and national-security planning.

The test for the year ahead is whether this paradigm shift proves structural rather than event-driven. That will depend on whether the funding escalation seen since mid-2025 translates into durable domestic manufacturing capacity and component-level self-reliance, rather than a temporary surge tied to a single operational moment. Early indicators — sustained export growth, an expanding civilian application base, and a clearer localisation roadmap — suggest the industry is being built for the long run, but FY 2026–27 will be an important year to watch.

Note: Market-size and CAGR figures are drawn from third-party industry research (2025–26) and are illustrative estimates; funding figures are drawn from public government announcements and budget proposals current as of mid-2026 and remain subject to final approval.

Dear Shareholders

We are pleased to share the Annual Report of Drone Destination for the financial year 2025-26, highlighting our achievements, innovations, and strategic direction.

From the desk of Managing Director

There are moments in the life of an industry when the ground beneath it shifts quietly at first, and then all at once. We are living through such a moment with unmanned aerial systems. What began as a niche pursuit confined to hobbyists and a handful of specialised defence applications has, in the span of a few years, become one of the most consequential technology movements of our time. The numbers tell their own story: the global drone market, valued at roughly USD 83.8 billion in 2025, moved to an estimated USD 96.4 billion in 2026 and is projected to more than double, to approximately USD 182.4 billion by 2033, according to Grand View Research.

Accepted, Adopted, Everywhere:
The Drone Decade Unfolds

At Drone Destination, we have had the privilege of standing at the centre of this transformation, and this past year has only deepened our conviction that we are participating in something genuinely life-changing.

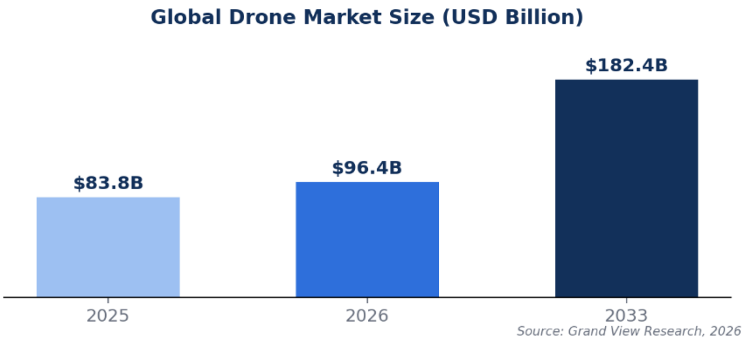


Fig 1: Global drone market size, 2025–2033 (USD Billion). Source: Grand View Research, 2026.

The most encouraging shift we have witnessed is one of acceptance. A few years ago, a drone overhead invited curiosity, sometimes suspicion. Today, it invites expectation. Farmers ask when the next spraying drone will arrive at their field; infrastructure companies ask how quickly a survey can be turned around; students ask how soon they can get certified to fly. This change in public temperament, from novelty to necessity, is perhaps the single most important tailwind our industry has enjoyed, and it has not happened by accident. It reflects years of demonstrated utility, of drones proving their worth in agriculture, disaster response, and mapping terrain that would otherwise take weeks to survey on foot. Awareness has matured into trust, and trust is the true currency of any deep-tech industry trying to earn a permanent place in everyday life.

This growing civilian acceptance has been mirrored, and in many ways amplified, by developments in the defence and strategic domain. Recent global conflicts, from Eastern Europe to West Asia, have made unmistakably clear that the character of modern warfare has changed, with low-cost, high-impact unmanned systems shaping battlefield outcomes in ways unimaginable a decade ago. Every serious military establishment in the world has taken note, and India is no exception. For India, this has translated into a sharper, more urgent focus on building indigenous unmanned capabilities, both offensive and defensive, with the Ministry of Defence and DRDO substantially scaling up procurement and research allocations for drone systems. We see this not as a distant geopolitical trend but as a direct call to action for companies like ours, one that carries both responsibility and opportunity in equal measure.

Nowhere has this urgency been more visible than in the rapid rise of counter-drone technology. As unmanned systems become cheaper, smaller, and more capable, the ability to detect and defeat them has become a first-order concern. The global counter-drone market, valued at close to USD 4 billion in 2026, is projected to reach roughly USD 20 billion by 2033, growing at a compound annual rate of around 25 per cent, driven by detection, jamming, and neutralisation demand across airports, defence installations, and critical infrastructure. We have expanded our own attention to this space, recognising that a mature drone ecosystem cannot be built on offensive and civilian capability alone; it must be built with equal seriousness given to protection, resilience, and airspace security.

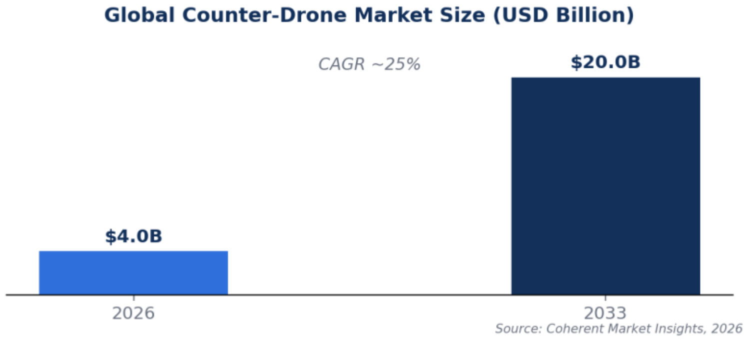


Fig 2: Global counter-drone (anti-drone) market size, 2026 vs 2033 (USD Billion). Source: Coherent Market Insights, 2026.

Underpinning all of this is a wave of technological change moving faster than most of us anticipated even eighteen months ago. Artificial intelligence has moved from being an interesting add-on to being the defining layer of value in modern unmanned systems. Autonomous navigation, real-time object recognition, swarming behaviour, predictive maintenance, and intelligent flight planning are increasingly what separate a basic aerial vehicle from a genuinely transformative platform, and industry analysts consistently cite AI-led autonomy as the single largest driver of growth in the sector through the rest of this decade. We are investing deliberately in bringing AI capability into our own offerings, because we believe the winners of the next phase of this industry will not simply be those who can build and fly drones, but those who can make drones think, adapt, and decide.

Regulation, too, has evolved in step with this ambition, and India's policy journey deserves particular mention. Since the Drone Rules of 2021, the compliance burden has been deliberately eased: the number of forms required has come down from twenty-five to five, approvals required have fallen from seventy-two to four, and nearly ninety per cent of Indian airspace now sits in the Green Zone, permitting flight up to 400 feet without case-by-case clearance. The government has projected that India's drone industry turnover could reach approximately INR 120–150 billion by 2026, materially aided by the Production-Linked Incentive scheme, and a new Civil Drone (Promotion and Regulation) Bill, introduced in 2025, is set to consolidate and modernise this framework further. This is not regulation as a constraint; it is regulation as scaffolding, built with genuine intent to help a young industry mature safely and quickly.

That regulatory support has, in turn, given real momentum to the indigenisation story that we consider central to our own mission. The PLI scheme for drones, launched in 2021 with an outlay of INR 120 crore, has since been expanded to an outlay of roughly INR 2,000 crore for 2025–28, with a further Drone Shakti manufacturing proposal of around INR

10,000 crore under policy discussion, alongside dedicated research calls to localise high-value subsystems. The first cohort of twenty-three PLI beneficiaries alone grew combined turnover from INR 88 crore in FY 2020-21 to INR 319 crore the following year, an early signal of what sustained incentive-backed manufacturing can achieve. India still imports an estimated 50–60 per cent of high-value drone components today, and closing that gap is precisely the opportunity in front of us. We are proud to be contributing to this shift rather than merely observing it, and we intend to remain firmly at its forefront.

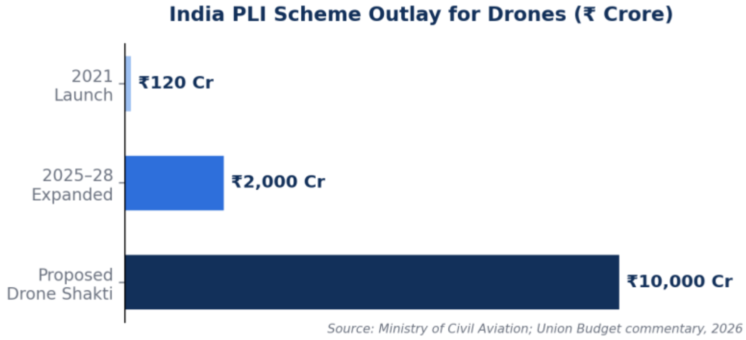


Fig 3: Expansion of India's PLI outlay for drones and drone components (₹ Crore). Source: Ministry of Civil Aviation; Union Budget commentary, 2026.

Beyond defence and policy, the sheer breadth of commercial application continues to expand in ways that excite us every quarter. Inspection and survey work, once slow, expensive, and often dangerous when it involved climbing towers, walking pipelines, or scaling under-construction structures, is being reimagined through aerial platforms that complete in hours what once took days, with a fraction of the risk to human life. Industries as varied as power transmission, mining, construction, insurance, and urban planning are adopting drone-based survey and inspection as a default rather than an exception, and analysts expect India's Defence and Security drone segment alone to grow at a compound annual rate of over 26 per cent through the rest of this decade. At the more ambitious end of the spectrum, drone-based freight movement is making early but real progress, with India's last-mile drone delivery opportunity projected to approach INR 1.8 trillion. The distance between “interesting pilot” and “everyday infrastructure” has been shrinking with every passing year, and we intend to be building, not watching, as that distance continues to close.

FY26 AT A GLANCE

Drone Destination Limited — year ended 31 March 2026

REVENUE	EBITDA	PAT	EPS
₹35.07 Cr	**₹11.26 Cr**	**₹1.17 Cr**	**₹0.48**
▲ 40.8% vs FY25	**▲ from ₹0.49 Cr**	**Turnaround from -₹6.81 Cr**	**Turnaround from -₹2.81**

The turnaround story

We are pleased to report a turnaround this financial year, moving from a challenging FY25 to renewed growth and profitability in FY26. Revenue from operations stood at INR 35.07 crores against INR 24.90 crores in the previous year, a growth of 40.8%. EBITDA rose sharply to INR 11.26 crores from INR 0.49 crores, with EBITDA margin expanding from 1.9% to 30.7%.

Most importantly, PAT turned around to INR 1.17 crores against a loss of INR 6.81 crores in the previous year — a decisive shift back into profitability, with EPS moving from INR (2.81) to INR 0.48.

The shape of the cost base tells the same story. Employee cost declined from INR 7.69 crores to INR 5.33 crores, reflecting cost optimisation and the operating leverage gained as revenue scaled, while depreciation moderated from INR 7.90 crores to INR 6.34 crores in line with the tapering of our capex cycle. Finance costs rose from INR 1.45 crores to INR 2.91 crores, consistent with additional borrowings deployed to support growth, and inventories grew from INR 16.94 crores to INR 18.72 crores as we continued to stock strategically for our drone sales and service activities.

The balance sheet has strengthened alongside the profit and loss account. Total assets grew to INR 89.96 crores and cash and cash equivalents rose to INR 19.77 crores, giving us the capacity to fund expansion across our business lines. Our current ratio stands at 3.54, continuing to indicate strong liquidity. Trade receivables grew from INR 17.90 crores to INR 27.75 crores in step with the scale-up in revenue, and tightening our collection cycle remains an area of active management focus. FY26 marks a clear inflection point — from a year of macro-driven slowdown to one of profitable, sustainable growth and improving shareholder value.

Key metrics, FY25 vs FY26 (₹ crore)

Metric	FY25	FY26
Revenue from operations	24.90	**35.07**
Total income	25.74	**36.63**
EBITDA	0.49	**11.26**
EBITDA margin	1.9%	**30.7%**
PBT	(8.86)	**2.02**
PAT	(6.81)	**1.17**
EPS (₹)	(2.81)	**0.48**
Employee cost	7.69	**5.33**
Depreciation	7.90	**6.34**
Finance cost	1.45	**2.91**
Net fixed assets	17.77	**15.22**
Inventories	16.94	**18.72**
Trade receivables	17.90	**27.75**
Current ratio	3.73	**3.54**

What powered the year

Numbers are only the record of decisions taken earlier. FY26 is the year in which several years of patient investment — in training infrastructure, DGCA certifications, fleet, and market access — finally converted into operating leverage. Three things stand out to me. We consolidated rather than merely defended our core Drone-as-a-Service and training businesses. We opened a genuinely new revenue line in Agri Inputs. And we deepened our defence and geospatial engagements to a scale we had not reached before.

The Agri Input segment, launched in the middle of the year, is the clearest example of what we mean by deepening rather than simply widening. Rather than sell a spray sortie alone, we built a bundled “spray plus input” model supported by a consolidation network across Uttar Pradesh and Uttarakhand, allowing us to serve the farmer’s actual requirement rather than a slice of it. It has raised our wallet share per acre, reduced the seasonality that has always characterised drone spraying, and become a key growth driver in the second half of the year.

In defence, our work moved from the periphery to the centre of how the Indian Army approaches drone skilling. Working with Category-A Army Training Establishments, we established the Indian Army’s first DGCA-approved Remote Pilot Training Organisations — including the country’s highest-altitude RPTO, with a Northern Command unit — and jointly certified more than 250 Army personnel and over 20 Remote Pilot Instructors. Alongside these, we have been building Centres of Excellence, simulator laboratories, and battlefield arenas across Northern and Southern Command locations. Being trusted to deliver training at that standard, inside that environment, is the validation I value most from the year.

Our Survey and Mapping practice widened in scope as well. We extended beyond rotary-wing drones into aircraft-based survey, partnering with Latrics India Private Limited to execute an aerial LiDAR survey for a river basin master plan for a key government client in the North-East. We were also awarded a large Ground Truthing and DGPS survey order by the Government of Andhra Pradesh under its Data Collection as a Service programme, taking high-precision, CORS-referenced geospatial capture into remote terrain where connectivity is weak or unavailable — difficult work, delivered to consistent processing and quality-assurance standards.

Running through all of this is a technology agenda we are deliberate about — AI-powered analytics for real-time decision-making in agriculture and infrastructure monitoring, and dual-use platforms that allow civil learnings to feed ruggedised, mission-ready variants for defence. Through our consultancy and turnkey offerings, we continued to help educational institutions and private enterprises enter drone verticals of their own, extending the ecosystem well beyond what we operate directly.

The year ahead

We enter FY 2026-27 from a position of restored profitability and a materially broader base of businesses, and we intend to grow it with discipline rather than noise. In agriculture, we will take the agri-spray and bundled input model into additional states and cropping belts. In geospatial, we will execute the Andhra Pradesh contract through the year while scaling our DGPS and multi-constellation GNSS survey capability for other government and enterprise clients.

To extend our reach without a proportionate increase in capital intensity, we will pursue a on-ground service model for field operations, including a Drone Hub on Wheels, supported centrally through training, standard operating procedures, and spares logistics.

Two genuinely new lines of business sit ahead of us. The first, and the one I am personally most keen to explore, is military logistics. We intend to foray into heavy-lift delivery drones and examine the feasibility of "drone delivery as a service" with the Indian Army in high-altitude hilly terrain, working with a drone OEM on payloads ranging from 10 to 60 kilograms, with further payload configurations and use-cases to follow as the segment matures. Sustaining troops in terrain where road resupply is slow, expensive, and at times dangerous is precisely the kind of problem unmanned systems were meant to solve, and it sits naturally alongside the training and Centre of Excellence work we already do with the Army. We approach it as an exploration rather than a certainty, and we will report honestly on what we learn.

The second new line we will open is Drone Surveillance-as-a-Service, aimed at homeland security and critical infrastructure. The premise is simple: most organisations that need persistent aerial monitoring do not want to buy drones, hire pilots, or maintain a fleet — they want the surveillance. Through Sky Patrol, our mobile command van with a tethered drone, day and thermal payloads, and a live command centre, we can hold a camera at 110 metres round the clock and cover a hundred times the ground a fixed CCTV installation can. We will offer it both as a subscription and on short-term hire for events, with ports and airports, pilgrimages and large gatherings, election and VIP deployments, border and coastal security, disaster response, and industrial and mining sites as our initial markets. What attracts me to this business is its shape as much as its size: it is recurring, it is contracted, and it converts capability we have already built — our Homeland Security fleet and our advisory work with state police, disaster management authorities, paramilitary forces and Home Guards — into predictable revenue. Over time we intend to extend the same platform into industrial asset inspection, covering wind turbines and oil and gas pipeline corridors.

Alongside these, we will continue to pursue large survey and mapping programmes, deepen our defence engagement through dual-use platforms and Centres of Excellence, and broaden our training footprint through new Centres of Excellence and structured programmes for schools, colleges, and technical institutions. Anchored in the vision of Atmanirbhar Bharat, our intent is straightforward: more recurring revenue, more indigenous capability, and a wider ecosystem than we could ever build alone.

As I reflect on the year gone by, what strikes me most is the sense of an industry finding its footing at exactly the right moment in history. The convergence we are witnessing, of rising public trust, sharpened strategic necessity, maturing regulation, deepening indigenisation, and rapidly advancing intelligence embedded in these machines, does not happen often. When it does, it tends to define the next decade for the companies fortunate enough to be positioned at its centre. I believe FY26 was the year in which we earned that position.

We are deeply grateful to our shareholders for the trust and patience that allows us to invest for this longer horizon, to our employees for their relentless commitment to building something genuinely meaningful, and to our partners and customers for continuing to place their confidence in us. The journey ahead will demand discipline, humility, and a willingness to keep learning as fast as the technology itself evolves. We approach it with optimism, grounded not in hype, but in the tangible progress we see around us every single day.

Thank you for being part of this journey with us.

Warm regards,

Chirag Sharma
Chief Executive Officer
Drone Destination

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy – Growing and Resilient

India retained its position as the fastest-growing major economy in FY26, with real GDP growth accelerating to 7.4%, up from 6.5% in FY25, underpinned by robust domestic demand and a sustained revival in private consumption. This growth was achieved alongside continued fiscal consolidation, with the gross fiscal deficit narrowing to 4.4% of GDP from 4.8% in the previous year, aided by revenue buoyancy and rationalization of subsidies. Headline CPI inflation eased sharply to an average of approximately 1.7% between April and December, compared to around 5.4% in FY25, driven by a marked disinflation in vegetable and pulse prices — bringing inflation to multi-year lows.

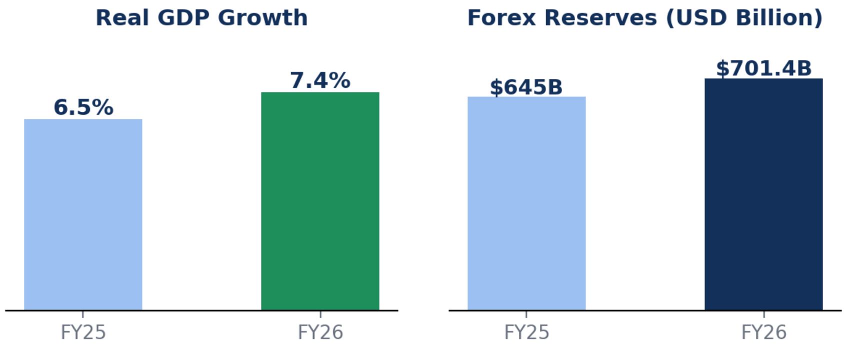


Fig 1: Real GDP growth and forex reserves, FY25 vs FY26. Source: Economic Survey / RBI, 2026.

The banking system's health improved to multi-decade highs, with gross non-performing assets declining to 2.2% by September 2025 (from 2.8% in FY25) and net NPAs falling to 0.5%, unlocking renewed credit flow to micro, small, and medium enterprises. India's external position also strengthened, with forex reserves rising to USD 701.4 billion from USD 645 billion in FY25, and the current account deficit narrowing to 0.8% of GDP in the first half of the year (from 1.3% in FY25), supported by resilient software and business services exports.

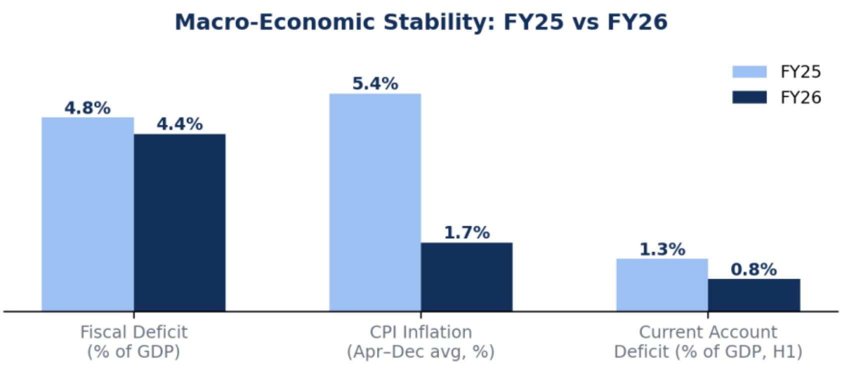


Fig 2: Macro-economic stability indicators, FY25 vs FY26. Source: Ministry of Finance, 2026.

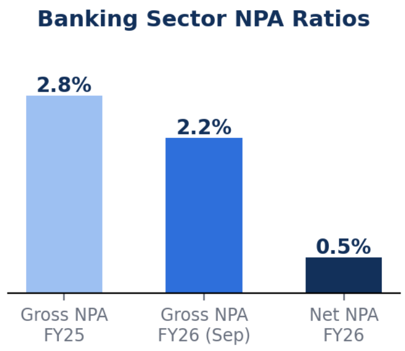


Fig 3: Banking sector NPA ratios. Source: RBI Financial Stability Report, 2026.

Core Growth Engines

Private consumption reached 61.5% of GDP — its highest share since FY12 — reflecting a broad-based rebound across rural and urban markets on the back of easing food inflation and rising rural real incomes. Public and private capital expenditure remained anchored near 4.0% of GDP, with continued government-led investment in multi-modal logistics corridors, high-speed rail, and digital infrastructure. The improved health of bank balance sheets further catalyzed private credit expansion, particularly to MSMEs and the retail segment.

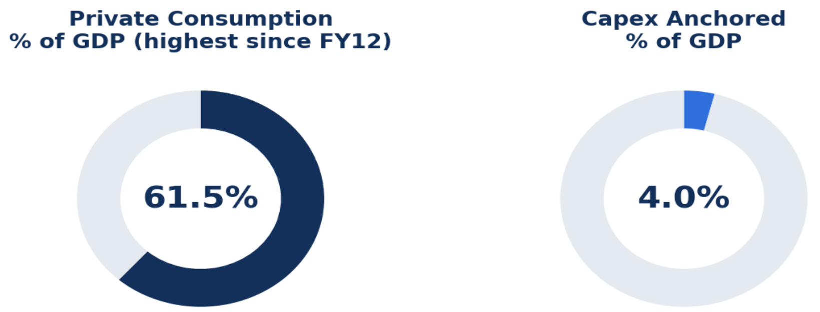


Fig 4: Private consumption and capital expenditure as a share of GDP, FY26. Source: NSO / Ministry of Finance, 2026.

Sectoral Performance

Services continued to anchor GDP growth, contributing 53.6% of gross value added, propelled by the expansion of Global Capability Centers (GCCs), data engineering, and software service exports. Manufacturing recorded 9.1% growth in the second quarter, with high-tech and medium-tech segments — spanning electronics, EV components, and defense production — now accounting for 46.3% of total manufacturing value added, reinforcing India's positioning as a high-tech manufacturing hub. Agriculture and allied activities grew by approximately 4.7%, with aquaculture, dairy, and livestock expanding at 6–7%-plus, supplementing steady core crop output.

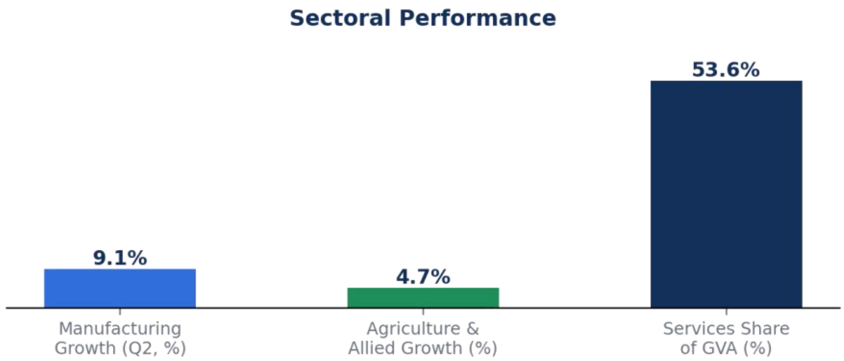


Fig 5: Sectoral performance snapshot, FY26. Source: NSO / MOSPI, 2026.

Policy Direction

The government continued to advance four strategic pillars during the year: fiscal anchoring, with a transition toward a debt-to-GDP target of approximately 50% by 2031; energy transition, backed by a ₹20,000 crore Nuclear Mission alongside continued scale-up of solar and wind capacity; digital public infrastructure, with the internet user base crossing 99.5 crore and DPI increasingly integrated into logistics and trade; and trade integration, through bilateral Comprehensive Economic Partnership Agreements (CEPAs) and Free Trade Agreements (FTAs) to counter global trade headwinds.

Outlook

Structural reforms, logistics efficiencies, and continued formalization of the economy are expected to sustain a medium-term baseline growth potential of around 7.0%. Key risks to this trajectory include potential tariff escalation in major export markets, crude oil price volatility, and shifts in global capital flows amid ongoing geopolitical fragmentation.

Sources: Ministry of Finance, Government of India (Economic Survey 2025-26); Reserve Bank of India (Financial Stability Report); National Statistical Office (MOSPI); Union Budget 2026-27 documents.

Global Drone Market: Developments, Outlook & Growth Projections

Market Size and Trajectory

The global drone market continues on a firmly upward path. Valued at approximately USD 83.8 billion in 2025, the market is estimated to have reached USD 96.4 billion in 2026, and is projected to more than double to roughly USD 182.4 billion by 2033, growing at a compound annual rate of about 9.5 per cent, according to Grand View Research. Other estimates place the market on an even steeper curve: Fortune Business Insights projects growth from USD 100.7 billion in 2026 to USD 210.3 billion by 2034, while Straits Research and Technavio point to similarly robust double-digit trajectories once commercial, defence, and delivery use cases are aggregated. The range across estimates reflects differing scope (hardware alone versus hardware, software, and services combined) rather than disagreement on direction: every major research house now expects the market to at least double within the next seven to eight years.

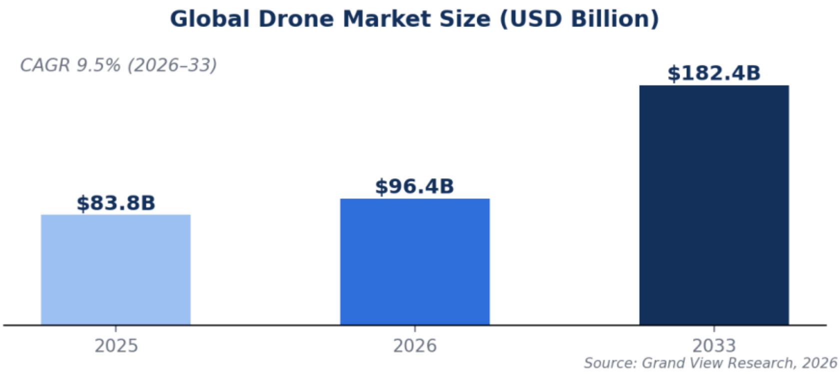


Fig 1: Global drone market size, 2025–2033 (USD Billion). Source: Grand View Research, 2026.

Fastest-Growing Segments

Growth is not uniform across the industry. Drone-based delivery and logistics remains one of the fastest-expanding segments, aided by the maturing of BVLOS (beyond visual line of sight) regulatory pathways in the United States, Europe, and parts of Asia; the delivery segment alone is projected to approach USD 6.8 billion by the end of 2026. The counter-drone (C-UAS) segment is growing even faster, at a projected CAGR of roughly 25 per cent, as governments and critical-infrastructure operators respond to a sharp rise in unauthorised and hostile drone activity. Drone-based services, spanning inspection, mapping, and data analytics, are also outpacing hardware sales, growing at roughly 10.6 per cent annually as enterprises shift from one-time purchases to recurring, subscription-based aerial data programmes.

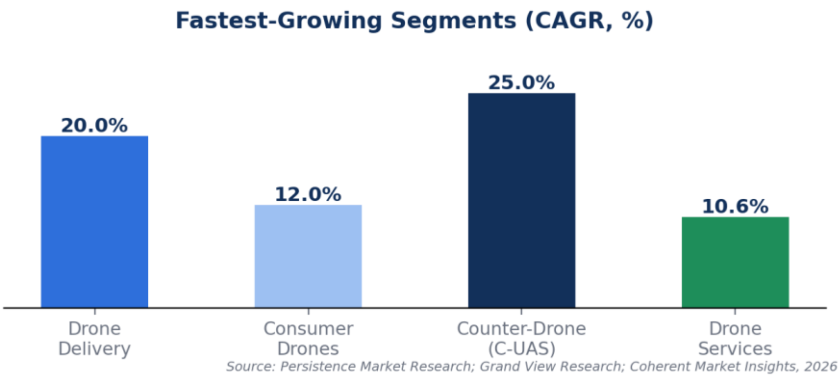


Fig 2: Fastest-growing drone market segments by CAGR. Source: Persistence Market Research; Grand View Research; Coherent Market Insights, 2026.

Regional Landscape

North America remains the largest single market, holding roughly 36–38 per cent share on the strength of early commercial adoption, defence spending, and a maturing regulatory pathway. Asia Pacific, however, is now recognised as the fastest-growing region, propelled by expanding manufacturing capacity in China and India, rising government investment, and rapid adoption across agriculture and logistics. Europe continues to prioritise safe airspace integration through its U-space framework, while increasingly directing policy attention toward defence and counter-drone resilience following heightened security concerns along its eastern border.

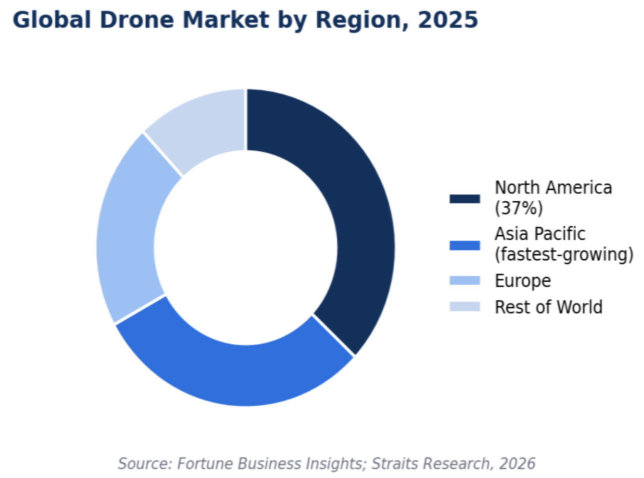


Fig 3: Approximate global drone market share by region, 2025. Source: Fortune Business Insights; Straits Research, 2026.

Regulatory Developments, 2025–26

Regulation has been the single biggest swing factor for the industry over the past eighteen months. In the United States, an executive order signed in June 2025, "Unleashing American Drone Dominance," directed the Federal Aviation Administration to accelerate rulemaking for routine BVLOS operations. The resulting Part 108 proposal, published in August 2025, drew more than 3,000 public comments and is expected to replace the current case-by-case waiver system with a standardised framework built around two approval pathways and five risk-based operating categories. A final rule remains pending as of mid-2026, delayed in part by a government shutdown and continued debate over right-of-way and electronic-conspicuity requirements, but its direction is now broadly settled and is expected to unlock large-scale commercial BVLOS operations, particularly in delivery and infrastructure inspection, once finalised.

Europe has moved in a complementary but distinct direction. Building on its existing U-space air-traffic management framework and risk-based EASA certification categories, the European Commission introduced an Action Plan on Drone and Counter-Drone Security in February 2026, proposing an EU-wide trusted-drone label, a forthcoming Drone Security Package, and a dedicated counter-drone centre of excellence. This reflects a broader shift in European policy since 2023, from a primary focus on enabling commercial drone traffic toward an equal emphasis on resilience and defence readiness, a shift accelerated by a rise in unauthorised drone incursions near airports and critical infrastructure across the continent. Individual member states, including Germany, have separately moved to grant security agencies expanded legal authority to detect and neutralise unauthorised drones.

China, the world's largest drone manufacturing base, formalised a significant regulatory shift of its own: a revised Civil Aviation Law bringing drones fully within the national aviation safety framework, including new airworthiness certification and product-identification requirements, took effect in July 2026. Separately, and with direct supply-chain implications for manufacturers worldwide, China tightened export licensing on drones and dual-use drone components destined for the United States in August 2026, adding a new layer of case-by-case review that many Western manufacturers are now navigating as they diversify sourcing away from Chinese suppliers of motors, batteries, and radio components.

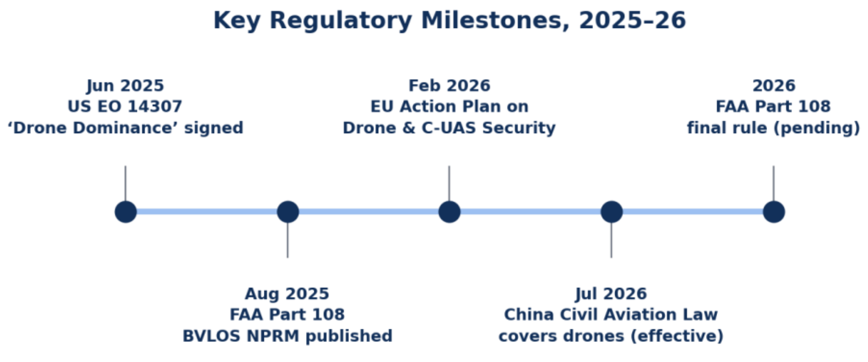


Fig 4: Key global regulatory milestones, 2025–26. Source: FAA; European Commission; DroneLife; company disclosures, 2026.

Outlook

Taken together, these developments point to an industry entering a more structured, if more contested, phase of growth. Regulatory clarity, once the single biggest constraint on scale, is finally arriving in the world's largest markets, and it is arriving hand in hand with rising security concerns that are pulling equal investment toward detection and defence. Supply-chain realignment, driven by tightening export controls out of China and a parallel push toward Western and Indian manufacturing capacity, is likely to reshape sourcing strategies across the industry over the next two to three years. For companies positioned across both the offensive and defensive ends of the unmanned systems value chain, and across both hardware and the software and services layered on top of it, the direction of travel remains unambiguous: a market that is not just growing, but structurally maturing.

Sources: Grand View Research (Drone Market Report, 2026); Fortune Business Insights; Straits Research; Technavio; Persistence Market Research; Coherent Market Insights; U.S. Federal Aviation Administration; European Commission (Defence Industry and Space); DroneLife; Pillsbury Law; DLA Piper.

INDIAN DRONE INDUSTRY PERSPECTIVE 2025–26

Industry outlook and the operating environment for the year ahead

MARKET SIZE	GREEN ZONE AIRSPACE	REGISTERED FLEET
$1.31 → $1.61 Bn	**~90%**	**38,500+**
▲ ~17.2% CAGR	**No prior fly permit needed**	**Drones on Digital Sky (UIN)**

CERTIFIED PILOTS	TYPE CERTIFICATIONS	HARDWARE SHARE
40,000+	**145+**	**54%**
Across 240+ DGCA RPTOs	**Indigenous UAS models**	**Software & DaaS expanding**

Ecosystem momentum

India's drone industry is scaling rapidly, with the market valued at approximately $1.31 billion in 2025-26 and projected to reach $1.61 billion in 2026-27, reflecting rapid growth across both OEM manufacturing and services. The registered drone fleet on the Digital Sky platform has crossed 38,500 units, supported by a growing base of over 40,000 DGCA-certified remote pilots trained across more than 240 Approved Training Organizations (RPTOs).

Airspace liberalization continues to be a key enabler, with roughly 90% of Indian airspace up to 400 feet now designated as a Green Zone requiring no prior flight permit. The domestic manufacturing base has also matured, with over 145 DGCA type-certified indigenous UAS models now available across small and medium classes. Hardware currently accounts for 54% of industry value, while software and Drone-as-a-Service (DaaS) offerings represent the fastest-growing segment.

Key Sectoral demand mix

~31%	~25%	~20%
Defense & Homeland Security	**Agriculture & Agri-Tech**	**Infrastructure & Survey**
Tactical ISR, loitering munitions, swarms	*Spraying, crop health, SHG programs*	*Highways, mining, energy corridors*

Defense and border security remain the single largest revenue anchor, driven by high-altitude ISR, loitering munitions, and logistics support, alongside emergency procurements, swarm drone integration, and counter-UAS platforms across the Armed Forces. Agriculture and rural mechanization form the second-largest demand pillar, propelled by the NaMo Drone Didi programme targeting 15,000 self-help groups, SVAMITVA land-mapping, and precision spraying adoption. Infrastructure and enterprise monitoring — spanning power line, highway corridor, railway, and mining surveys — round out the core application base, with drone-based LiDAR and photogrammetry increasingly used for NHAI expressway monitoring, smart-city 3D modeling, and PM Gati Shakti multimodal planning. Healthcare and quick-commerce logistics are an emerging frontier, with Beyond Visual Line of Sight (BVLOS) trials progressing toward dedicated corridors for medical sample delivery and hill-state supply chains.

Strategic policy enablers

Policy pillar	Focus area
Drone Rules & Digital Sky	**Near-instant automated flight clearance**
Import prohibition	**Ban on CBU drone imports protects local OEM scale**

PLI & component push	**Incentives targeting 30%+ indigenous value addition**
Drone Shakti initiative	**ITI-led skilling and Drone-as-a-Service promotion**

Outlook

Policy support — including the foreign drone import ban, the Production Linked Incentive (PLI) scheme, and its planned PLI 2.0 expansion — continues to drive component localization and strengthen domestic assembly capacity. India is tracking toward a $3–4 billion drone market by 2030–32, propelled by domestic replacement cycles, emerging export corridors, and the integration of AI-enabled autonomous payloads.

The primary bottlenecks to this trajectory remain a continued reliance on imported critical sub-components — including optical sensors, specialized brushless DC motors, and lithium-ion battery cells — alongside the need for deeper standardization of BVLOS operations across the regulatory framework.

Government Initiatives Powering India's Drone Ecosystem

Enabling the Ecosystem: How Policy Is Powering India's Drone Take-off

India's drone industry remains a young but deliberately nurtured sector, formally recognised in the National Industrial Classification only in 2022, yet already targeted for a turnover of roughly USD 30 billion by 2030. Its services segment, spanning platform services, maintenance and repair, and training, is projected to grow at a compound annual rate of 44.4 per cent, from about USD 130 million in 2020 to nearly USD 4.9 billion by 2030, while the broader ecosystem is expected to generate over a lakh jobs across manufacturing and services. What stands out, more than the growth curve itself, is how visibly the Indian state has positioned itself as both architect and anchor customer of this emerging industry.

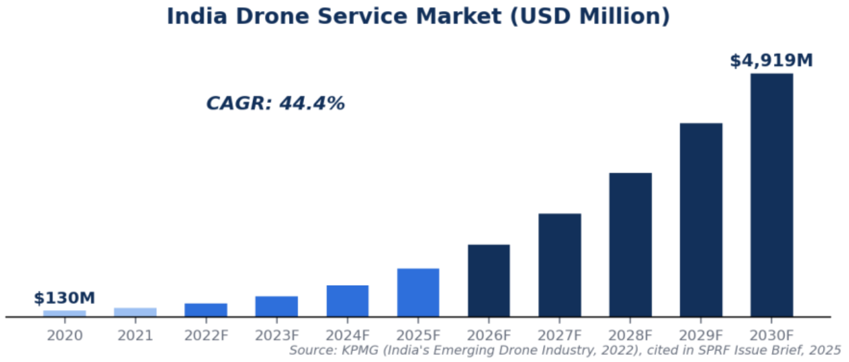


Fig 1: India's drone service market, 2020–2030F (USD Million). Source: KPMG, 2022, cited in SPRF Issue Brief, Nov 2025.

Building the Regulatory Foundation

The first and most consequential tranche of reform arrived between late 2021 and early 2022: the Drone Rules of 2021, a UAS Traffic Management policy framework, publication of an airspace map opening roughly 90 per cent of Indian airspace to flight up to 400 feet, the DigitalSky platform for permissions, and a simplified type-certification scheme. Amendment Rules in 2022 further eased pilot licensing by allowing any Remote Pilot Training Organisation, rather than the DGCA alone, to issue licences. This foundation has continued to evolve: regulatory services have since migrated from DigitalSky to the newer eGCA platform, and GST on drones was rationalised to a uniform 5 per cent in September 2025, down from the earlier 18–28 per cent slabs, lowering costs across both commercial and personal use.

Boosting Manufacturing and Drone-as-a-Service

On the supply side, the original Production-Linked Incentive scheme for drones and components carried an outlay of INR 120 crore across FY 2021–24, benefiting roughly 23 manufacturers, though actual disbursement lagged well behind the allocation. A companion import policy banned foreign import of fully built-up and semi-knocked-down drones to shield domestic manufacturing, while the General Authorisation for Export of Drones simplified export procedures previously complicated by the sector's dual-use classification. This framework has since been substantially scaled up: PLI 2.0 was finalised in early 2026 with a materially larger outlay, and Union Budget discussions have separately floated a INR 10,000 crore Drone Shakti manufacturing proposal aimed at building production infrastructure rather than only rewarding finished sales. On the skilling front, the Drone Shakti mission has trained over 26,700 students since 2023-24 across 115 affiliated ITIs in 12 states, though this remains modest set against nearly 15,000 ITIs nationwide.

Creating Demand: Flagship Government Programmes

Beyond enabling supply, the government has actively built demand through its own large-scale deployments. The SVAMITVA programme uses drones to map village inhabited land with high accuracy, and by early 2026 had surveyed roughly 3.28 lakh villages and generated 2.76 crore property cards, backed by an outlay of about INR 250 crore. The Kisan Drone component under the Sub-Mission on Agricultural Mechanisation offers up to 100 per cent subsidy (capped at INR 10 lakh) for individual farmers and 75 per cent for Farmer Producer Organisations. The Namo Drone Didi scheme, targeting 15,000 drones for Women Self-Help Groups with an outlay of INR 1,261 crore through FY 2023–26, has already placed over a thousand drones with lead fertiliser companies, with Uttar

Pradesh, Maharashtra, West Bengal, Rajasthan, and Madhya Pradesh identified for the largest share of the remaining rollout.

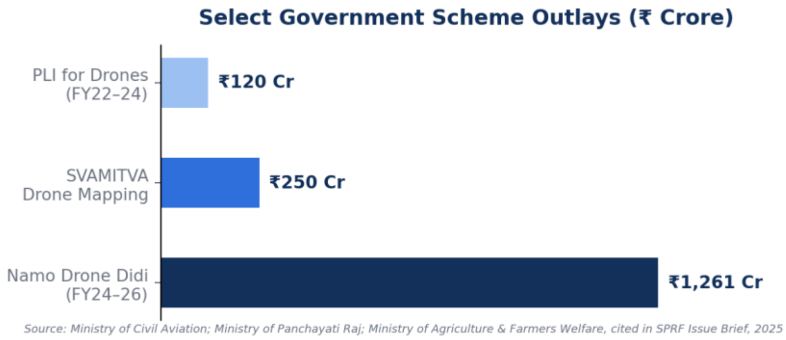


Fig 2: Select government scheme outlays (₹ Crore). Source: Ministry of Civil Aviation; Ministry of Panchayati Raj; Ministry of Agriculture & Farmers Welfare, cited in SPRF Issue Brief, Nov 2025.

As of February 2026, this policy push has translated into a visibly formalising ecosystem: over 38,500 registered drones, nearly 39,900 DGCA-certified remote pilots, and 244 approved training organisations are now operating under the regulated framework, according to the Ministry of Civil Aviation.

Watch-Points

Independent commentators, including a November 2025 policy brief from the Social Policy Research Foundation, flag two structural risks worth tracking. First, the government's dominant role as both regulator and largest buyer, particularly while final drone imports remain banned, raises the familiar risk of favouring select players over building genuinely competitive, efficient manufacturing. Second, skilling and job-creation outcomes remain uncertain: short-term drone courses show only a modest track record against India's wider vocational training base, and the shift toward automated aerial operations carries real potential for manual labour displacement, particularly in agriculture. Cost savings from drone adoption are substantial and well documented, but the brief also notes unresolved concerns around socio-cultural acceptability, the practical friction of permissions despite policy simplification, and quality control in government drone procurement.

Sources: Social Policy Research Foundation, "Up in the Air! Policy Overview of the Indian Drone Industry" (Issue Brief, November 2025); KPMG, "India's Emerging Drone Industry" (2022); Press Information Bureau, Ministry of Civil Aviation (February 2026); Ministry of Panchayati Raj; Ministry of Agriculture & Farmers Welfare.

DRONE EXPORTS

How Drone Export Liberalisation is Enabling India's Drone Ecosystem to Compete Globally

POLICY REFORMS, MARKET EXPANSION & GLOBAL VALUE CHAIN INTEGRATION

KEY HIGHLIGHTS & EXECUTIVE SUMMARY

- **Export growth surge —** Drone exports expanded nearly fivefold in two years, rising from USD 1.72 million (FY 2023–24) to USD 8.69 million (FY 2025–26).
- **Policy catalyst (GAED) —** The General Authorisation for Export of Drones, introduced on 23 June 2023, replaced per-shipment SCOMET licences with a single three-year, multi-shipment authorisation.
- **Major global deals —** Bengaluru-based Zulu Defence secured an order from the Netherlands Special Forces for its DRAP loitering munition system (2026); defence talks with Cyprus on unmanned systems are ongoing.
- **Ecosystem maturation —** Indian firms are expanding beyond complete platforms into specialised subsystems — avionics, payloads, flight controllers, ground control stations and batteries.

1. Overview & Rapid Export Trajectory

On 23 June 2023, India introduced one of the most significant export reforms for its emerging drone sector. Three years later, the results are beginning to emerge. Drone exports have grown nearly fivefold, Indian manufacturers are securing overseas orders, and domestically developed unmanned systems are increasingly finding a place in international markets.

India's drone exports increased from USD 1.72 million in FY 2023-24 to USD 2.78 million in FY 2024-25, before accelerating to USD 8.69 million in FY 2025-26 — nearly fivefold growth over two years, with the most recent year showing a marked acceleration. These figures remain modest compared to established aerospace-exporting nations, but the trajectory matters more than the absolute numbers at this stage. The pace of growth suggests the industry is moving past its earliest, most tentative phase.

Financial Year	Export Value (USD)	Growth Profile
FY 2023–24	**USD 1.72 Million**	Baseline post-reform year
FY 2024–25	**USD 2.78 Million**	+61.6% YoY growth
FY 2025–26	**USD 8.69 Million**	+212.6% YoY growth (~5x over 2 years)

Media Sources

2. Regulatory Catalyst: SCOMET and the GAED Framework

Drones occupy a unique position in global trade because they have both civilian and military applications. Consequently, specified drones and related technologies are included in India's SCOMET list and are subject to export controls. Before June 2023, exports of such drones generally required transaction-specific authorisation. Even manufacturers exporting low-capability civilian drones often had to obtain approval for individual shipments, creating compliance burdens that made scaling exports difficult.

Recognising this challenge, the Directorate General of Foreign Trade (DGFT) introduced a major reform through GAED Notification No. 14/2023 and GAED Public Notice No. 19/2023 on 23 June 2023. Under the General Authorisation for Export of Drones (GAED), civilian drones meeting specified criteria became eligible for a single authorisation valid for three years, replacing the need for repeated approvals for every export transaction.

The significance of the reform was not simply that it reduced paperwork. Before GAED, each export transaction required separate authorisation, and for startups and MSMEs trying to build overseas customer relationships, lengthy approval timelines affected commercial negotiations and delivery schedules. Predictability is often as important as cost in export markets, and its absence discouraged some companies from pursuing international opportunities at all. By replacing this with a three-year authorisation framework, GAED reduced administrative friction and gave manufacturers a pathway to pursue international opportunities with greater certainty. Three years later, the impact of that shift is beginning to emerge across the industry.

3. Commercial Breakthroughs and International Orders

That impact shows up most clearly in the deals Indian companies are now closing. In 2026, Bengaluru-based Zulu Defence secured an order from the Netherlands Special

Forces for its DRAP loitering munition system, a clear signal that Indian-made systems are drawing interest from sophisticated military buyers. Other countries are also looking at India as a potential source for unmanned systems. Cyprus, for instance, has expressed interest in defence cooperation with India, including talks on unmanned systems and loitering munitions. Such developments may not yet translate into contracts, but they point to a broader shift: Indian drone manufacturers are increasingly entering conversations once dominated by exporters from the United States, Israel, Turkey, and China.

This growing acceptance is reinforced by where Indian companies are choosing to show up. In 2026, Indian drone manufacturers showcased their technologies at international exhibitions and defence events, including Bharat Innovate 2026 and Eurosatory 2026. Such platforms help Indian companies engage directly with global buyers, defence agencies, and investors, while signalling that Indian firms are no longer observers at global defence and technology gatherings but active participants seeking deals and partnerships.

4. Strategic Value and Domestic Spillover

For India's drone industry, this matters for more than the revenue it brings in. Exports expose Indian-made drones to new operating environments and tougher performance expectations, generating feedback that helps manufacturers improve reliability and competitiveness, while larger markets create stronger incentives for investment in research, manufacturing capacity, and talent.

A globally competitive drone sector also feeds into broader national objectives: strong export capabilities support technological self-reliance, build industrial capacity, and help position India as a trusted supplier of advanced unmanned systems in an increasingly technology-driven global security environment. Companies that succeed abroad bring back capital, credibility, and operational experience that strengthen the domestic ecosystem in turn.

5. Deepening the Supply Chain: Subsystems & Components

The story is also not limited to complete drone platforms. Indian firms are increasingly supplying specialised subsystems — including avionics, flight controllers, navigation systems, batteries, communication modules, payloads, software, and ground control stations — to customers around the world.

This matters because component exports are often the first step toward integration into global supply chains, allowing firms to build specialised expertise and long-term commercial relationships well before they compete as platform exporters. It suggests that India's drone ecosystem is deepening, not just growing in scale.

6. Outlook: Sustaining the Momentum

The next phase of growth will likely depend less on further liberalising the authorisation framework and more on complementary factors: deeper integration with global defence primes, sustained investment in component-level R&D, and continued participation in international trade and defence platforms that build buyer confidence over time.

Three years of data are not enough to draw firm conclusions, but the direction is clear. **GAED removed a structural bottleneck; the export numbers, order wins, and expanding subsystem footprint suggest Indian manufacturers are beginning to convert that policy opening into commercial traction.** Sustaining this trajectory into FY 2026–27 and beyond will be an important marker of whether India's drone sector can move from an emerging, policy-enabled exporter to an established one.

Note: Export figures are drawn from DGFT/DGCI&S trade data as reported for the respective financial years. Figures for FY 2025–26 are provisional pending final reconciliation.

Challenges Facing India's Drone Industry: A Civil & Defence Perspective

INDIGENISATION, CHINA DEPENDENCE & THE REGULATORY ROAD AHEAD, 2025–26

KEY HIGHLIGHTS & EXECUTIVE SUMMARY

- **Component dependence —** 39% of flight controllers in Indian small drones, and 50–60% of overall component value, are still imported — predominantly from China.
- **Rare-earth exposure —** ~90% of India's rare-earth magnets are imported, mostly from China; April 2025 export curbs pushed dysprosium and neodymium prices up by as much as 50%.
- **Regulatory catch-up —** BVLOS operations remain confined to 3 approved corridors; a comprehensive Civil Drone Bill and nationwide BVLOS certification framework are still pending, targeted for end-2026.

- **Capacity gaps —** Skilled-workforce shortages, nascent field-testing infrastructure, and underfunded deep-tech R&D continue to constrain scale-up on both the civil and defence sides.

1. A Sector Growing Faster Than It Can Supply Itself

India's drone industry enters FY 2025–26 with strong tailwinds — export growth, a supportive policy stack, and a defence establishment newly convinced of the technology's strategic value. But growth has outpaced the underlying industrial base. Much of what India assembles, it does not yet make: critical components, certification capacity, skilled talent, and parts of the regulatory architecture itself remain work in progress. This note sets out the principal challenges on both the civil and defence sides, and where the response is already under way.

2. Component & Supply Chain: The China Question

The most structural challenge is component dependence. According to a government disclosure in Parliament, 39% of flight controllers used in India's smaller drones — effectively the "brain" of the aircraft — originate from Chinese manufacturers, and Indian drone makers rely heavily on China and Taiwan for motors, cameras, batteries, and rare-earth magnets. Industry estimates put overall imported component value at 50–60% of the total, despite a 2022 ban on importing fully assembled foreign drones that was intended to force local assembly and, over time, local manufacturing.

This creates two distinct risks. Commercially, Chinese export-licensing delays of up to two months, with no guarantee of approval, complicate production planning for Indian manufacturers. Strategically, a defence and security ecosystem that depends on the same import base as its civilian counterpart carries an inherent vulnerability — one that becomes more visible precisely when drones matter most operationally.

China Dependence at a Glance

39%

of flight controllers in Indian small drones are imported from China*

~90%

of India's rare-earth magnets are imported, overwhelmingly from China

50-60%

of overall drone component value is still imported (2025–26)

Up to 2 months

delay on Chinese export licences for critical components, with no guarantee of approval

Component and supply-chain dependence remains the sector's most structural constraint.

3. The Rare-Earth Shock of 2025

The vulnerability was tested directly in 2025. In April, China imposed licensing requirements on seven heavy rare-earth elements, including dysprosium and terbium, and the permanent magnets derived from them — materials essential to the compact, high-torque motors used in drone propulsion. Within weeks, fewer than a quarter of export-licence applications were being approved, and prices of dysprosium and neodymium rose by as much as 50%.

India's exposure is significant: the country imports roughly 90% of its rare-earth magnets, mostly from China, with magnet and related-material imports valued at nearly USD 221 million in FY 2024–25. The policy response has begun. In November 2025, the Union Cabinet approved a ₹7,280 crore scheme to promote domestic manufacturing of sintered rare-earth permanent magnets, and an ARCI pilot plant in Hyderabad has become operational as India's first serious move toward closing this gap — though building mine-to-magnet capability domestically will take years, not months.

Rare-Earth Price Shock Following China's April 2025 Export Curbs

+50%

rise in dysprosium & neodymium prices — key inputs for drone motor magnets

- **Apr 2025**
  China imposes licensing on 7 heavy rare-earth elements
- **Within weeks**
  Fewer than 1 in 4 export-licence applications approved
- **FY 2024–25**
  India's magnet & related-material imports: ~US$221 million

China's April 2025 export curbs exposed a single point of failure in the motor supply chain.

4. Regulatory & Certification Bottlenecks

India's regulatory framework has genuinely simplified over the past four years — the Drone Rules of 2021 replaced a heavier, clearance-driven regime with self-certification and trust-based governance, and the 2023 GAED reform did the same for exports. But important pieces remain unfinished. Beyond Visual Line of Sight (BVLOS) operations, essential for logistics, long-range inspection, and large-scale agricultural use, remain confined to three approved corridors (Ladakh, Telangana, and Andhra Pradesh); a nationwide BVLOS certification framework has been promised by end-2026 but is not yet in force.

Type certification — mandatory before any commercial drone can be manufactured, sold, or operated — has also been a persistent pain point, with industry reporting long wait times and high costs that fall disproportionately on smaller manufacturers and startups. The Draft Civil Drone (Promotion and Regulation) Bill, 2025, intended to consolidate and modernise the legal framework including BVLOS provisions, has not yet been enacted, leaving operators to plan around continued regulatory uncertainty.

The policy architecture is well advanced on trade and taxation, but incomplete on certification and BVLOS.

5. Capacity Constraints: Workforce, Testing & R&D

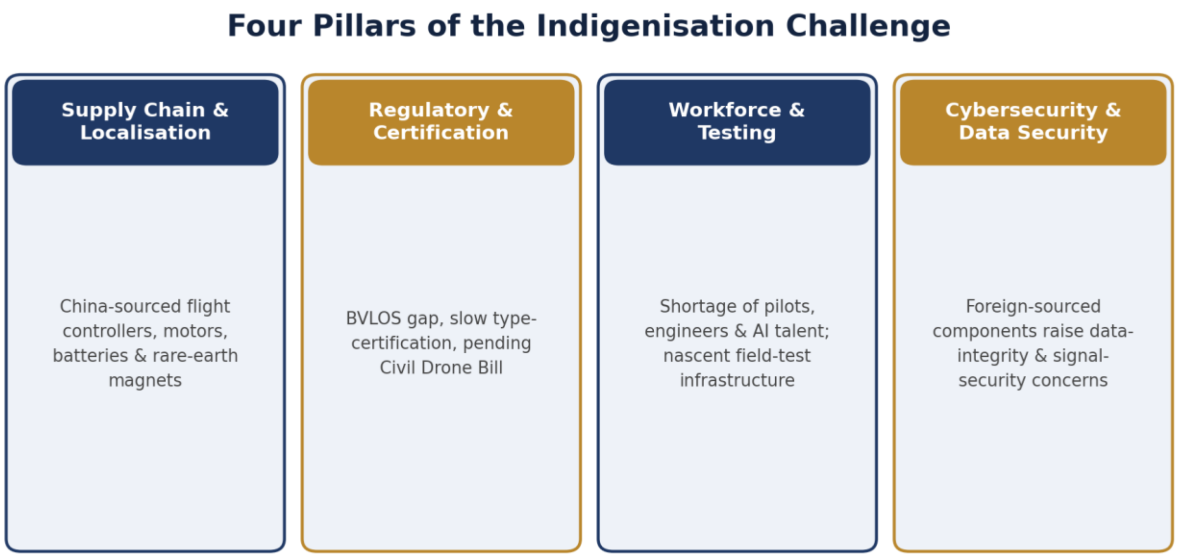
Even where policy and components align, execution capacity is a limiting factor. Industry surveys consistently point to a shortage of trained drone engineers, remote pilots, and AI specialists, with limited specialised course offerings and high training costs slowing the pipeline despite initiatives such as Drone Shakti. Deep-tech capabilities — swarming, high-altitude long-endurance (HALE) platforms, and advanced counter-drone systems — require long-gestation R&D capital that remains comparatively scarce next to manufacturing-focused incentives.

Testing infrastructure tells a similar story. Much of the sector has relied on laboratory simulation rather than field validation across varied operating environments; new field-test facilities, such as a recently established hub in Odisha, reflect a growing recognition that deployment-grade performance data — not controlled simulations — is the only credible basis for scaling commercial and defence deployment alike.

6. Defence-Specific Vulnerabilities

Operation Sindoor (May 2025) validated India's indigenous drone and counter-drone systems operationally, but it also underlined that defence-grade platforms draw on much of the same import-dependent component base as civilian drones. Military leadership has been explicit that dependence on foreign technology weakens preparedness, and the armed forces have since accelerated fast-tracked procurement, dedicated training infrastructure such as the BSF's new drone warfare school, and structured exercises built around offensive and defensive drone tactics.

Counter-drone capability illustrates the pragmatic response to constrained resources: officials have pointed to legacy air-defence guns, repurposed as a cost-effective means of countering small drones, as a practical complement to more advanced counter-UAS technology while indigenous systems mature. Data security is a related concern — foreign-sourced flight controllers and communication modules raise questions about data integrity and signal security that a purely component-substitution strategy does not fully resolve.



The challenge spans four distinct pillars, each requiring a different policy and investment response.

7. Closing the Gap: What to Watch in FY 2026–27

None of these challenges are new, but 2025–26 is the year in which the response has visibly scaled to match them **—** a dedicated rare-earth magnet mission, **an expanded and better-funded PLI framework, and a BVLOS certification deadline the industry is now holding government to.**

The test for the year ahead is execution rather than intent. Whether the localisation target of roughly 30% domestic value addition is met, whether the BVLOS framework is delivered on schedule, and whether skilled-workforce and testing infrastructure keep pace with manufacturing capacity, will determine whether India's drone sector converts its current momentum into durable, self-reliant capability — rather than a faster-growing version of the same import dependence it is trying to leave behind.

*Note: Figures are drawn from government disclosures, parliamentary statements, and industry/trade reporting current as of mid-2026, and are cited as approximate or illustrative where marked. *Flight-controller import share refers to smaller/commercial drone categories per an April 2025 parliamentary disclosure.*

DRONE DESTINATION LIMITED HIGHTLIGHTS 2025-26

Scaling New Segments, Returning to Profitable Growth

The financial year 2025–26 was a turnaround year for Drone Destination — a period in which the Company converted its multi-year investment in infrastructure, training capacity, and market access into a return to profitable growth, while opening two significant new lines of business: Agri Inputs and heavy-lift Delivery Drones. As one of India's leading DGCA-certified Remote Pilot Training Organisations (RPTOs) and the pioneer of the Drone-as-a-Service (DAAS) model, the Company continued to deepen drone adoption across agriculture, infrastructure, and defence, while taking its first concrete steps into indigenous heavy-payload aerial logistics.

Anchored in the vision of Atmanirbhar Bharat, FY 2025–26 was defined by disciplined execution: consolidating the core DAAS and training businesses, scaling the newly launched Agri Input segment, deepening defence and aircraft-based survey engagements, and initiating a heavy-lift delivery drone segment through a live interaction and demonstration with the Indian Army.

Business Growth and Market Position

- **Return to Profitability:** The Company reported a net profit of ₹ 1.1.7 crore for FY 2025–26, reversing a net loss of ₹ 6.81 crore in FY 2024–25 — a decisive turnaround in operating performance.
- **Revenue Growth:** Revenue from operations grew 40.8% year-on-year to ₹35.07 crore (from ₹ 24.90 crore in FY 2024–25), driven by the core Drone segment and the newly introduced Agri Input sales.
- **Balance Sheet Strength:** Total assets grew to ₹ 89.96 crore, with cash and cash equivalents rising to ₹ 19.77 crore, strengthening the Company's ability to fund expansion across its business lines.
- **New Segment — Agri Inputs:** Building a bundled “spray + input” model, the Company established a robust agri-input sale and spray consolidation network in Uttar Pradesh and Uttarakhand from mid-2025, which became a key growth driver in the second half of the year.
- **Defence Drone Upskilling:** The Company has been addressing the gaps with respect to training of defence personnel within the UAV eco-system, and has been establishing multiple drone center of excellence, simulator labs, battlefield arenas and certified drone training organisations with Cat-A Indian Army Training Establishments and Regimental locations under Northern and Southern Commands — validating our ability to deliver at scale, within defence environments, with the highest standards of training efficacy and operational relevance.

- **Aircraft-Based Survey:** The Company deepened its Survey & Mapping portfolio and expanded into aircraft-based survey, including a partnership with Latrics India Private Limited to execute an aerial LiDAR survey for a river basin master plan project for a key government client in North-East.
- **Ground Truthing & DGPS Survey:** The Company expanded its geo-spatial service portfolio by engaging in high-precision, CORS-referenced geospatial data capture into remote and network-constrained terrain in the state of Andhra Pradesh while maintaining consistent processing, quality assurance and record-generation standards
- **Training Leadership:** Drone Destination retained its position as one of India's leading DGCA-certified drone training networks, continuing to build a pipeline of certified pilots for government and private sector needs.

Key Milestones in FY 2025–26

- **Return to Profitable Growth —** The Company delivered a full-year net profit of ₹1.17 crore against a net loss in the prior year, alongside 40.8% revenue growth, marking a structural improvement in operating performance.
- **Launch of the Agri Input Segment —** A bundled drone spray-plus-input offering was rolled out through a consolidated network across Uttar Pradesh and Maharashtra, deepening wallet share per acre and reducing seasonality in the agriculture business.
- **Established Indian Army's first three DGCA-approved Drone Training Organisations –** In collaboration with the Indian Army Training Establishments, the Company established Indian Army's first DGCA-approved Drone Training Organisation (RPTO) in 2 Cat-A Training Establishment, and country's highest RPTO in high-altitudes with a Northern Command Army Unit. It also jointly certified 250+ Army personnel and more than 20 Remote Pilot Instructors.
- **Aircraft-Based Survey —** The Company extended its capabilities beyond rotary-wing drone services into aircraft-based survey, partnering with Latrics India Private Limited on a large-scale LiDAR survey for a river basin master plan project.
- **Large Ground Truthing Contract with Government of Andhra Pradesh –** The company was awarded large Ground Truthing DGPS survey Order with the Government of Andhra Pradesh under the Data Collection as a Service programme for resurvey using DGPS instruments in locations where GPRS connectivity is weak or unavailable.
- **Consultancy & Turnkey Solutions—** Drone Destination continued to expand its various drone-based Kickstarter / consultancy offering, helping private, educational institutions enter drone-related business verticals through comprehensive consultancy, drone sales, and turnkey infrastructure development support.

Technology and Innovation

- Continued application of AI-powered analytics for real-time decision-making in agriculture and infrastructure monitoring.
- Progress on dual-use platforms — leveraging civil drone learnings to develop ruggedised, mission-ready variants for defence use-cases.
- Expansion of aircraft-based and LiDAR-enabled survey capability alongside the Company's core rotary-wing drone fleet.

Partnerships and Ecosystem Development

- **Agriculture:** Continued collaboration with agri-input and agri-tech partners to expand drone spraying, advisory, and the newly launched agri-input offering to farmers.
- **Defence:** Partnered with Indian Army, Category-A Training Establishments to develop integrated Drone Center of Excellence for developing a future-ready, drone-proficient armed forces.
- **Aerial Survey:** Partnership with Latrics India Private Limited for aircraft-based LiDAR survey;
- **Institutional & Government:** Continued executing projects with government bodies and institutions on mapping, survey, and asset inspection programmes.
- **Academic Alliances:** Ongoing partnerships with universities and technical institutes to integrate drone curricula and RPTO training programmes, sustaining a skilled workforce pipeline.

Financial and Operational Impact

- **Revenue from operations:** ₹35.07 crore, up 40.8% YoY (FY25: ₹24.90 crore)
- **Net profit / (loss):** ₹1.17 crore, against a net loss of ₹6.81 crore in FY25
- **Total assets:** ₹89.96 crore
- **Cash & cash equivalents:** ₹19.77 crore
- **Growth drivers:** Core Drone (DAAS) segment and the newly introduced Agri Input along with agri-sprays; Defence Drone Centre of Excellence expansion

Figures as per the Company's audited standalone financial results for the year ended 31 March 2026, approved by the Board on 29 May 2026.

Future Outlook — FY 2026–27 and Beyond

Drone Destination enters FY 2026–27 from a position of restored profitability and a broader base of businesses. The Company will pursue disciplined growth across its established and newly launched segments, with a sharper mix of recurring services, product scale-up, and ecosystem building.

Agriculture Services and Agrochemicals

Building on the traction of the Agri Input segment launched in FY 2025–26, the Company will expand agri-spray and bundled input operations across additional states and cropping belts, deepening wallet share per acre and reducing seasonality.

Ground Truthing & DGPS Survey Execution

The Company shall execute the Andhra Pradesh Govt Contract through FY 26-27 as well as explore scale its DGPS and multi-constellation GNSS Survey segment for other government and enterprise institutions.

Network Expansion via Hub-Development Model

To accelerate reach with controlled capital intensity, the Company will pursue a Hub development-led model for field operations, including Drone Hub on Wheels, supported by centralised training, SOPs, and spares logistics.

Drone Surveillance-as-a-Service (DSaaS) for Homeland Security & Critical Infrastructure

The Company will introduce Drone Surveillance-as-a-Service, a recurring-revenue offering that provides persistent aerial surveillance without requiring the customer to own or operate the equipment with Homeland Security & Critical Infra owners as prime customers.

Heavy-Lift Drone Delivery (Defense Logistics) for Armed Forces

The Company plans to foray into heavy-lift delivery drones, and explore feasibility of “drone delivery as a service” with the Indian Army in high-altitude hilly terrains; with drone-based deliveries ranging from 10 to 60 kg payloads, in collaboration with a drone OEM and exploring additional payload configurations and use-cases as the segment scales.

Survey & Mapping, Defence, and Training

The Company will continue to pursue large survey and mapping programmes, deepen defence engagement through dual-use platforms and Centres of Excellence, and broaden its training footprint through new CoEs and structured programmes for schools, colleges, and technical institutions.

Financial Review

FY 2025-26 Results Brief, Market Update & Analysis

Executive Summary

Revenue: ₹35.07 Cr (FY25: ₹24.90 Cr), +40.8% YoY. Total income ₹36.63 Cr (FY25: ₹25.74 Cr), +42.3% YoY
Profitability: Reported net profit ₹1.17 Cr (FY25: net loss ₹6.81 Cr); NPM turned positive at 3.2% (FY25: -26%)
Liquidity & leverage: Current ratio 3.54× (FY25: 3.73×); Debt-to-equity 0.39× (FY25: 0.27×)

The Company delivered a turnaround year, moving from a net loss to a net profit as revenue growth outpaced the cost base built up in FY24-25. Growth was led by a newly-introduced Agri Input trading line, higher Survey & Mapping income and stronger drone/parts sales, while Training & Facilitation and Agri-spray demonstration income moderated. Working-capital intensity persisted — receivables and inventory both grew ahead of revenue — and was funded through a step-up in long-term borrowings, lifting leverage while liquidity remained comfortable.

Market Conditions & Operating Context

Civil (Training / Survey & Mapping / Agri-input & Spray) — Training & Facilitation income declined to ₹3.65 Cr (FY25: ₹7.96 Cr) even as training capacity and Centre of Excellence partnerships from the prior year remained in place, suggesting a slower conversion of training capacity into billed engagements during the year. Survey & Mapping was the standout civil line, more than doubling to ₹10.49 Cr (FY25: ₹4.03 Cr). Agri-spray and demonstration services softened to ₹2.83 Cr (FY25: ₹4.47 Cr), while a new Agri Input trading line contributed ₹8.09 Cr of sales in its first full year of disclosure, materially diversifying the civil revenue base.

Drone Sales & After-sales — Sale of Drones and Parts more than doubled to ₹7.50 Cr (FY25: ₹3.57 Cr), reversing the prior year's decline. Drone Annual Maintenance income of ₹0.28 Cr was newly reported, indicating early traction in recurring AMC revenue, though Drone & Equipment Rental income fell to ₹0.86 Cr (FY25: ₹2.39 Cr) and Consultancy income eased to ₹1.36 Cr (FY25: ₹2.49 Cr).

Working Capital & Cost Base — Inventory closed the year at ₹18.72 Cr (FY25: ₹16.94 Cr) and trade receivables rose to ₹27.75 Cr (FY25: ₹17.90 Cr), both growing broadly in line with or ahead of revenue. Depreciation of ₹6.34 Cr (FY25: ₹7.90 Cr) moderated as the prior year's capex cycle slowed — capital expenditure on fixed assets fell to ₹3.53 Cr (FY25: ₹10.59 Cr) — while finance costs rose further to ₹2.91 Cr (FY25: ₹1.45 Cr) on higher borrowings.

Operating Performance & Comparison with Last Year

Top line grew 40.8% to ₹35.07 Cr, with other income also higher at ₹1.56 Cr (FY25: ₹0.84 Cr, largely interest on fixed deposits), taking total income to ₹36.63 Cr. The growth reflects the ramp-up of the Agri Input trading business, stronger Survey & Mapping execution and a recovery in drone unit sales, partly offset by softer Training and Agri-spray demonstration revenue.

Cost bridge vs FY25

- Cost of stores and spares consumed ↑ to ₹1.02 Cr (FY25: ₹0.13 Cr): higher spares consumption in line with a larger installed base and service volumes.
- Purchases of stock-in-trade ↓ to ₹8.69 Cr (FY25: ₹16.66 Cr): lower incremental buying as FY25's pipeline-fill inventory was drawn down and sold through.
- Change in inventory: net credit of ₹1.16 Cr (FY25: net credit of ₹14.25 Cr), a much smaller favourable swing as inventory build moderated relative to the prior year's sharp stock-up.
- Employee benefits ↓ to ₹5.33 Cr (FY25: ₹7.69 Cr): lower salaries, wages and director remuneration versus the prior year's training scale-up staffing.
- Finance costs ↑ to ₹2.91 Cr (FY25: ₹1.45 Cr): higher interest on bank loans as long-term and short-term borrowings both increased.
- Depreciation ↓ to ₹6.34 Cr (FY25: ₹7.90 Cr): moderating as the pace of fixed-asset additions slowed.
- Other expenses ↓ to ₹11.48 Cr (FY25: ₹15.02 Cr): lower agri-spray/demo costs and no repeat of the prior year's unbilled-revenue write-off, partly offset by higher survey & mapping and travel costs.

Consequently, PBT turned around to ₹2.02 Cr (FY25: ₹-8.86 Cr), and PAT to ₹1.17 Cr (FY25: ₹-6.81 Cr). Basic and diluted EPS improved to ₹0.48 (FY25: ₹-2.81).

Reasons for the Improvement

- Revenue diversification: the Agri Input trading line (₹8.09 Cr) and a doubling of Survey & Mapping income (₹10.49 Cr) added meaningfully to the topline without a proportionate rise in the cost base.
- Inventory discipline: purchases of stock-in-trade nearly halved as FY25's pipeline-fill inventory was liquidated, easing the adverse P&L impact seen in the prior year.
- Cost moderation: employee benefits, depreciation and other expenses all declined YoY, reflecting a lower fixed-cost base following the prior year's investment phase.
- Working-capital build continues: inventory (₹18.72 Cr) and trade receivables (₹27.75 Cr) both grew, and were funded through higher borrowings — long-term

borrowings rose to ₹8.51 Cr (FY25: ₹3.95 Cr) and short-term borrowings to ₹15.14 Cr (FY25: ₹12.01 Cr) — pushing finance costs higher and debt-to-equity up to 0.39× (FY25: 0.27×).

- Softer training and agri-spray demand: Training & Facilitation and Agri Drone Spray/Demo income both declined YoY, partially offsetting gains elsewhere and pointing to an uneven recovery across service lines.

Management Commentary — Working Capital & Cash

Operating cash flow remained negative but improved sharply to ₹-0.65 Cr (FY25: ₹-10.13 Cr), as the smaller swing in inventory and a reduced tax outflow offset a larger build in trade receivables (an outflow of ₹9.82 Cr for the year). Investing activities absorbed ₹2.01 Cr, materially lower than FY25's ₹9.83 Cr, consistent with the slower pace of capital expenditure. Financing activities contributed a net inflow of ₹4.95 Cr (FY25: ₹16.02 Cr), driven by fresh long-term borrowings of ₹4.55 Cr and short-term borrowings of ₹3.13 Cr, net of interest paid. Cash and cash equivalents closed the year higher at ₹19.77 Cr (FY25: ₹17.48 Cr).

Key Ratios & Analysis

Particulars	**FY 2025-26**	**FY 2024-25**
Revenue Growth	+40.8% YoY	-21.8% YoY
Net Profit Margin	3.2%	-26.4%
ROE (avg.)	2.0%	-11.3%
Current Ratio	3.54×	3.73×
Debt-to-Equity	0.39×	0.27×

- Revenue Growth (+40.8%): the turnaround was led by the new Agri Input trading line, a doubling of Survey & Mapping income and stronger drone/parts sales.
- Net Profit Margin (3.2%, FY25: -26%): margins turned positive as revenue growth outpaced the cost base, and the adverse inventory/purchase dynamics of FY25 did not repeat at the same scale.

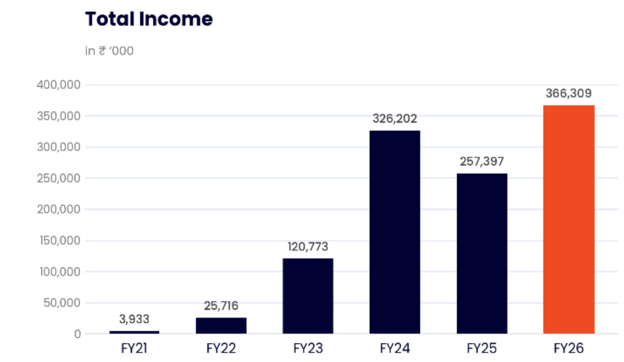
- ROE (avg., 2.0%): a modest positive return following the prior year's loss-driven negative ROE; further improvement is contingent on sustaining the current growth and margin trajectory.
- Current Ratio (3.54×, FY25: 3.73×): liquidity remains comfortable though it moderated slightly as current liabilities, principally short-term borrowings and trade payables, grew faster than the increase in current assets.
- Debt-to-Equity (0.39×, FY25: 0.27×): leverage increased as working-capital growth (inventory and receivables) was funded through additional long- and short-term borrowings; the ratio remains at a moderate level.

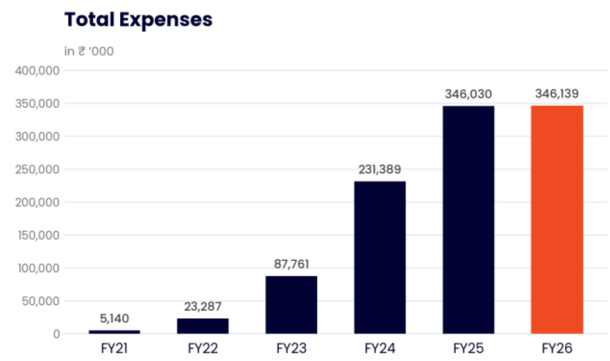
Risks, Dependencies & Outlook

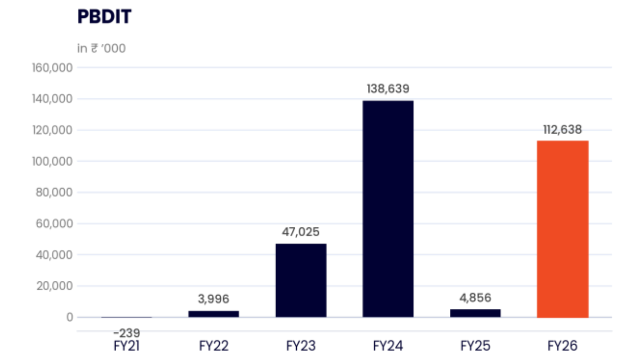
- Working capital: receivables and inventory continue to grow ahead of internally generated cash, keeping the Company reliant on external borrowings; collection discipline and inventory turns will be key to sustaining the improvement in operating cash flow.
- Revenue mix: the improvement is concentrated in Agri Input trading and Survey & Mapping; continued softness in Training and Agri-spray demonstration income is a factor to monitor for the durability of the recovery.
- Leverage: debt-to-equity has risen year-on-year; while still moderate, further borrowing to fund growth should be weighed against the pace of margin and cash-flow improvement.
- Outlook: with the cost base rationalised versus FY25 and new revenue lines gaining scale, management will look to build on the FY26 turnaround by improving receivables and inventory efficiency, growing the AMC/after-sales funnel, and broadening the agri-input and survey & mapping businesses.

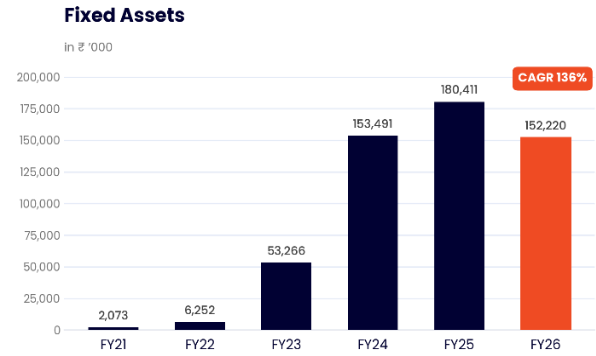
Financial figures are in '000s

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	CAGR
Revenue from operations	3918	25343	120722	318214	248974	350662	146%
Total Income	3933	25716	120773	326202	257397	366309	148%
Total Expenses	5140	23287	87761	231389	346030	346139	132%
PBDIT	-239	3996	47025	138639	4856	112638	
Profit Before Tax	-1207	2429	33013	94812	-88633	20170	
Profit Before Tax Margin	-31%	9%	27%	29%	-34%	6%	
Profit /loss for the period	-1207	1896	25624	70821	-68138	11721	
EPS (₹) prior to exceptional item	-0.12	0.19	26.08	3.42	-2.81	0.48	
Net Worth	-509	1386	176054	616333	594944	606665	
Fixed assets	2073	6252	53266	153491	180411	152220	136%









SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change	Reason for change >5%
Debt Equity Ratio	Debt Capital	Shareholder's Equity	0.39	0.27	45.23%	Increase in borrowings availed to fund working capital
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	0.29	-1.45	119.74%	EBITDA turned positive
Return on Equity Ratio	Net Profit for the year	Shareholder's Equity	0.02	-0.11	116.83%	Turnaround from a net loss to a net profit during the year, driven by revenue growth
Inventory Turnover Ratio	COGS	Average Inventory	0.48	0.26	84.05%	Higher cost of goods sold in line with revenue growth
Trade Receivables turnover ratio	Net Sales	Average trade receivables	1.54	1.35	13.71%	Improvement in collection
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Average Trade Payables	0.59	3.98	-85.30%	Increase in average trade payables as the company expanding operations, lengthening the payment cycle.
Net capital turnover ratio	Sales	Working capital (CA-CL)	0.69	0.58	18.14%	Sales grew faster than the increase in net working capital, improving capital efficiency.
Net profit ratio	Net Profit	Sales	0.03	-0.27	112.21%	Return to profitability as revenue grew while total expenses remained largely flat
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.08	-0.12	162.60%	EBIT turned positive on the back of profitable contributions from segments.
Return on Investment	Net Profit	Investment	NA	NA	NA	

Forthcoming Initiatives

SKY PATROL | Mobile Drone Surveillance

Images are for representational purposes only

OVERVIEW

Sky Patrol is a mobile surveillance van equipped with a tethered drone, advanced electro-optical/infrared payloads, and a three-monitor command centre. The tethered architecture enables round-the-clock, 24x7 monitoring with secure real-time data transmission, delivering persistent aerial surveillance for security, disaster response, and large public events. At 110m AGL, Sky Patrol delivers 100–150x the coverage of fixed CCTV cameras, with detection ranges up to 5+ km for large objects.

24x7	**110 m**	**100–150x**	**~6.5 hrs**
Persistent Monitoring	Tethered Operating Altitude	More Coverage than CCTV	Continuous Grid-Powered Flight

KEY CAPABILITIES

- Dual FHD day cameras + dual uncooled thermal (IR) cameras
- Tri-display command centre: RGB, thermal & mission dashboard
- Two-axis gyro-stabilised gimbal, continuous 30x optical zoom
- Optional AI: video motion detection, automatic target recognition, homing tracker
- Diesel generator power house for fully mobile, off-grid deployment
- IP66-rated, -30°C to +55°C operating range

TARGET USE CASES

- Traffic & incident monitoring; ports & airports surveillance
- Religious sites, pilgrimages & large public gatherings
- Election rallies, political campaigns & VIP protocols
- Border and coastal security
- Disaster & emergency response
- Critical infrastructure, mining & heavy industry monitoring

ASSET INSPECTION & SURVEILLANCE - Wind Turbine & Oil / Gas Pipeline Drone Inspection

Illustrative concept — for representational purposes only

OVERVIEW

Building on its mobile surveillance capabilities, Drone Destination is extending its drone technology platform to industrial asset inspection — covering wind turbines and oil & gas pipelines. Using high-resolution optical and thermal payloads, drones can inspect blades, towers, and pipeline right-of-way corridors that are otherwise difficult, slow, or hazardous to access manually, helping asset owners identify defects and monitor asset health with greater speed and consistency than traditional ground-based inspection.

WIND TURBINE INSPECTION	OIL & GAS PIPELINE INSPECTION
• Blade surface inspection for cracks, erosion, and lightning strike damage • Tower and nacelle structural condition checks • High-resolution imagery to support predictive maintenance planning • Reduced need for rope-access or crane-based manual inspection • Faster turnaround across large wind farm portfolios	• Right-of-way (RoW) monitoring for encroachment and third-party interference • Visual inspection for corrosion, leaks, and structural anomalies • Thermal imaging to help identify leak-prone or anomalous hotspots • Coverage of remote or difficult-to-access pipeline corridors • Supports regulatory compliance and integrity management programmes

WHY DRONE-BASED INSPECTION

- Improved worker safety by minimising work-at-height and confined-space access
- Consistent, repeatable data capture for trend analysis over time
- Lower operational disruption compared to manual shutdown-based inspection
- Digital imagery and reports that integrate into asset management workflows

DELIVERY DRONES - Heavy-Lift Logistics & Defence Payload Delivery

Illustrative concept — for representational purposes only

OVERVIEW

Drone Destination is exploring heavy-lift delivery drone delivery services targeting logistics and last-mile resupply in terrain that is otherwise difficult, slow, or hazardous to service. As a first step, the Company, in collaboration with a drone OEM, is preparing for demonstration with the Indian Army in high-altitude, showcasing payload delivery capability across 10 to 60 kg payload drone configurations.

WHY HEAVY-LIFT DELIVERY DRONES

- Faster, more reliable resupply to hilly, high-altitude and hard-to-access forward locations
- Reduces dependency on manual portering, mule transport, and slow road-based logistics in difficult terrain
- Lowers risk exposure to personnel operating in challenging or contested terrain
- Supports rapid deployment of critical supplies during emergencies and time-sensitive operations
- Scalable payload configurations to suit varying logistics and cargo requirements

TARGET APPLICATIONS

• Defence logistics & forward-post resupply • Border and high-altitude area logistics • Disaster relief & emergency supply drops	• Remote and hilly-terrain civilian logistics • Industrial, mining & remote-site cargo delivery • Humanitarian aid and medical supply delivery

Ground Truthing the Next Growth Pipeline

Field-verified data as the foundation for the Company's next phase of government and enterprise mandates

Ground truthing – the physical, on-site verification of geospatial data against real-world conditions – sits at the core of the Company's expanding pipeline of government and enterprise opportunities. Where satellite imagery, aerial capture and desk-based mapping reach their limits, whether due to canopy cover, weak network availability or the need for legally admissible, survey-grade accuracy, trained field teams equipped with DGPS and multi-constellation GNSS instruments step in to validate, correct and certify the data that downstream systems and statutory records depend on.

We are currently deploying this integrated operational model through extensive ground-truthing and cadastral resurvey projects awarded to the Company by Government of Andhra Pradesh. The ongoing, successful execution of these operations serves as a robust blueprint for our geographical expansion. As land digitization and infrastructure monitoring programs accelerate nationwide, we are strategically positioned to replicate this framework.

This capability is becoming a differentiator as land digitisation, cadastral modernisation and infrastructure-monitoring programmes move from pilot to state-wide scale across India. Departments increasingly require partners who can combine drone and satellite data acquisition with disciplined ground verification, quality assurance and department-ready record generation, delivered reliably even in remote and network-constrained terrain. The Company is building its forthcoming project pipeline around precisely this integrated capability.

We are actively leveraging our field capabilities and technological expertise to launch similar high-precision survey projects across multiple other states in the near future.

World of Drones – Centre of Excellence

Building on the foundation laid in FY 2024–25 — when the World of Drones Experience Centre was launched as a global-first platform combining entertainment, training and innovation — FY 2025–26 was the year the Centre of Excellence (CoE) matured into an advanced, multi-stakeholder drone training and consulting institution. The Experience Centre's original offerings, including the Drone Soccer Arena, Training & Simulation Zones, Drone Tinkering & Simulator Lab, RPTO, DMBA, FPV Obstacle Course, Homeland Security drone fleet and SkyPatrol surveillance van, continued to operate as the base on which this year's expansion was built.

Advanced-Level CoE Programmes

The CoE moved beyond its foundational RPTO curriculum to introduce advanced-level training and capability-building tracks, deepening the institution's technical depth.

- **Advanced certification tracks** are getting introduced covering BVLOS operations, swarm-drone operations, counter-drone/anti-drone (C-UAS) systems, and AI-based autonomous navigation.
- **Advanced FPV and tactical simulation training** being added to the existing DMBA Pro and obstacle-course formats.
- **An R&D wing** set up for indigenous drone component development and testing, feeding directly into the training curriculum.

Civil Defence & Homeland Security Consulting

The CoE began formally engaging with civil defence and homeland security stakeholders, positioning itself as an advisory partner rather than only a training provider.

- **Advisory engagements** were established with civil defence bodies — state police units, disaster management authorities, paramilitary forces and Home Guards — on drone-based surveillance and response.
- **Deployment strategy consulting** provided for ISR, border monitoring and disaster-response use cases, drawing on the existing Homeland Security drone fleet and the SkyPatrol platform.
- **Joint simulation exercises and drills training** is being planned with civil defence teams, both at the CoE and at partner sites.
- **Counter-UAS integration advisory** in planning to agencies building anti-drone response capability.

Pan-India Drone Lab Network

The single flagship centre was extended into a distributed network, with Drone Tinkering & Simulator Labs established at partner institutions across the country.

- **Satellite Drone Tinkering & Simulator Labs -** set up at training institutions, defence establishments and universities pan-India, replicating the flagship lab's assembly, avionics, maintenance and repair curriculum.
- **Each lab equipped** with a standardised kit — small-to-medium training drones, hybrid (physical + simulator) training rigs, simulator stations and obstacle-course modules as per the requirements
- **Partnership MOUs** in discussion to be signed with universities, ITIs/polytechnics and defence training academies to host and co-run the labs.
- **Rollout to be proceeded in phases,** with the first tranche of partner institutions onboarded expected during coming year.

Hybrid Training & Mobile Infrastructure

- **Hybrid obstacle-course training modules,** combining physical courses with simulator-based scenarios, deployed at partner sites.
- **Mobile and modular lab units,** extending the SkyPatrol deployable-infrastructure model, were used to reach remote and border-area institutions.
- **Train-the-Trainer (TTT) programmes** run to build local instructional capacity at each partner site, reducing dependence on the flagship centre.

Awareness & Education Outreach

- **School and college drone-literacy drives** to be combined STEM education with hands-on demos, building on the Experience Centre's existing Kids & Youth Zones.
- **Public demonstrations, workshops and career-orientation sessions** in planning to be held for aspiring drone professionals.
- **Digital curriculum modules** in planning to be developed to scale drone-literacy content beyond physical footfall at the Centre.
- **Drone Soccer leagues** is being extended pan-India as a community-engagement and talent-scouting vehicle.

FY 2025–26 and coming year is taking the World of Drones CoE from a single, India-first Experience Centre into a distributed, advanced-level training and consulting institution — with a live civil defence advisory relationship, a growing pan-India lab network across universities, ITIs/polytechnics and defence establishments, standardised hybrid training infrastructure, and nationwide awareness programming reaching students, trainers and the wider public.

Agri Spray & Agrochemicals — Deepening and consolidating the network

Consolidation Through Acreage Aggregators

Building on last year's dual-push (Direct-to-Farmer and Dealer-Assisted) model, we have onboarded a network of acreage consolidators — local aggregators who pool farmer demand across contiguous plots for both spray services and agrochemical inputs. This consolidation layer improves route density for field teams, lowers per-acre mobilization cost, and gives partner manufacturers better visibility into seasonal demand at the cluster level. It marks a shift from opportunistic, farm-by-farm acquisition toward planned, cluster-level capacity deployment.

North East Breakthrough: Tea Gardens

The Company is gaining momentum to deploy its precision agriculture services and foray into tea estates in the North East, structured as a whole-year engagement model rather than the season-aligned campaigns used for row crops. Tea gardens require continuous plant protection and nutrition management across flush cycles, and we have secured minimum-guarantee contracts that commit estates to assured annual acreage/revenue in exchange for round-the-year spray coverage, agronomy support, and priority service scheduling. This is a distinct commercial structure from our kharif/rabi playbook and gives the business a more stable, less seasonal revenue base.

To support this, we are establishing a dedicated North East hub, extending our district-hub architecture into a new geography and crop category.

Deepening the Network

Drone Destination is further deepening its presence in states like Uttar Pradesh, Uttrakhand, Telangana, Gujarat, Maharashtra & Andhra Pradesh for consolidated demand-generation, and fulfilment of input delivery & spray operations.

What This Means for the Model

- **Revenue mix:** The tea-garden adds an annuity-like, lower-seasonality revenue stream alongside acreage-based row-crop spraying.
- **Route-to-market:** Acreage consolidators become a third demand channel alongside DTF and dealer-assisted, improving density and predictability for planning spares, crews, and input inventory.
- **Network reach:** Multi-state presence strengthens the case for deeper partner (including IFFCO-ecosystem) programs and gives channel partners a wider, more consistent service footprint to sell into.

Drone Destination — Strategic Global expansion

Building on the FY 2024–25 foundation—relationship-first market entry, local incorporation where viable, Centres of Excellence (COEs), and Kickstarter pilots—FY 2025–26 has been the year Drone Destination moved from framework to field validation. Across the European Union, ASEAN, Africa, and the Middle East, the year's emphasis shifted from establishing contact to proving capability in front of the people who will ultimately buy, license, or co-invest.

Through the year, the company conducted demonstrations and structured discussions with foreign agencies, skilling bodies, distributors, and prospective in-country partners. These sessions showcased Drone Destination's core stack—pilot training and mission-planning curricula, survey/mapping and industrial inspection workflows, agriculture spray operations bundled with agronomy support, and Drone Soccer as a STEM and community-engagement format—alongside an introduction to non-offensive training, ISR, and counter-UAS collaboration models for interested defence-adjacent bodies, subject to local law.

The response validated the original thesis: multiple foreign groups have expressed active interest in Drone Destination's drone services and COE offerings, particularly the COE model as a turnkey way to stand up local training, maintenance, and mission-planning capability without each partner building from scratch. Discussions with several of these groups have progressed from capability showcases toward term-level conversations—scoping local incorporation needs, distributor arrangements, and curriculum/technology transfer for COEs.

Consistent with the staged, pilot-first approach, FY 2025–26 has been positioned as the demonstration and relationship-deepening year rather than the revenue year. The near-term visible metric was breadth and depth of engagement—number of foreign delegations hosted or visited, capability showcases delivered, and MoU/LoI-stage conversations opened—rather than booked contracts. That groundwork is what converts next: Drone Destination expects its first commercial transactions in these international markets to commence in 2026, as Kickstarter pilots born from this year's discussions convert into paid deployments, COE partnership agreements, and initial drone sales/services contracts.

This sequencing—demonstrate, build trust and local relationships in FY 2025–26, then convert to commercial contracts from 2026 onward—mirrors the India playbook: prove ROI at pilot scale before scaling investment, keeping capital exposure low while the company builds the in-country credibility that regulated markets like defence-adjacent ISR and counter-UAS work require.

DIRECTORS' REPORT

Dear Members,
Drone Destination Limited

Your Directors' have immense pleasure in presenting this **7th Annual Report** on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2026.

1. FINANCIAL RESULTS

The highlights of the financial performance of the Company for the Financial Year ended March 31, 2026, as stated in the Audited Financial Statements, along with the corresponding performance for the Previous Year are as under:

(Amount in Rs. Thousand)

Particulars	**2025-26**	**2024-25**
Total Income	3,66,309.03	2,57,397.32
Total Expenses	3,46,138.79	3,46,030.35
Profit/(Loss) before Tax	20,170.25	(88,633.03)
Tax Expenses	8,449.49	(20,494.50)
Profit/(Loss) after Tax	11,720.76	(68,138.53)

2. STATE OF YOUR COMPANY'S AFFAIRS

Drone Destination today operates an integrated "Everything Drones" platform focused on DGCA-certified pilot training and Drone-as-a-Service (DaaS). In FY 2025–26, we strengthened commercial deployments across agriculture, land and urban mapping, infrastructure inspection, and surveillance, supported by an expanding network of approved training organisations and proven field operations. Our offering spans end-to-end mission planning, data capture, processing/analytics, and program management, helping customers move from pilots to production with speed and compliance. Headquartered in New Delhi and listed on NSE Emerge, Drone Destination continues to advance safe, high-quality drone operations across agriculture, mapping, inspection and surveillance, as well as education and recreation.

Simultaneously, Drone Destination focuses on DaaS, delivering tailor-made solutions for agriculture spray, aerial surveying, and asset inspection services. Committed to innovation, Drone Destination empowers individuals and industries through training and DaaS offerings, shaping the future of drone technology.

3. PERFORMANCE OF YOUR COMPANY

The total income of your Company is Rs. 3,66,309.03 (In Thousands) (42.31% YoY) during the Financial Year 2025-26 as against the total income of Rs. 2,57,397.32 (In Thousands) in the previous Financial Year 2024-25. The total expenditure is Rs. 3,46,138.79 (In Thousands) (0.03% YoY) during the Financial Year 2025-26 as against Rs. 3,46,030.35 (In Thousands) in the previous Financial Year 2024-25. Your Company has Profit after Tax of Rs. 11,720.76 (In Thousands) during the Financial Year 2025-26 as against incurred Loss after Tax of Rs. -68,138.53 (In Thousands) in the previous Financial Year 2024-25.

4. DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the expansion of business of your Company, the Board of Directors of your Company has decided not to recommend any dividend for the Financial Year ended March 31, 2026. Further, there has been no transfer to general reserves.

5. CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in your Company's nature of business.

6. AMENDMENT IN MAIN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION (MOA):

Your Company amended its object clause of its Memorandum of Association of the Company with the addition of sub clauses 8, 9 and 10 after the existing sub clause 7 of clause III (A) by passing a Special resolution in Annual General Meeting on 29th September 2025. The approval/intimation letter was received from the MCA/ROC on 31st October 2025.

7. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY

There was no material change and commitment affecting the financial position of your Company that occurred in between the Financial Year ended on March 31, 2025 and the date of this report.

8. SHARE CAPITAL

During the period under review, there has been no change in the Share Capital of your Company.

9. UTILIZATION OF FUNDS RAISED THROUGH INITIAL PUBLIC OFFER

Your Company raised Rs. 44,20,00,000 by way of Initial Public Offer dated 21st July, 2023. The proceeds have been completely utilized for the objects stated in the offer document.

10. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE OF EQUITY SHARES/WARRANTS/CONVERSION OF WARRANTS

Your Company received Rs. 44,20,00,000 from warrant holders/equity shareholders and the proceeds have been completely utilized.

11. FORFEITURE OF WARRANT UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE OF EQUITY SHARES/WARRANTS/CONVERSION OF WARRANTS

The warrant holders didn't exercise the conversion option of pending 6,00,000 warrants within 18 months from the date of the allotment, i.e. on or before March 20, 2026, the amount received on the said 6,00,000 convertible warrants stands forfeited as per provision of Regulation 169(3) of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Your Company forfeited Rs. 2,80,50,000 i.e 25% amount received on the said convertible warrants.

12. PUBLIC DEPOSITS

During the Financial Year under review, the details relating to deposits, covered under Chapter V of the Act,-

(a) accepted during the year: **NA**

(b) remained unpaid or unclaimed as at the end of the year: **NA**

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- **NA**

(i) at the beginning of the year: **NA**

(ii) maximum during the year: **NA**

(iii) at the end of the year**: NA**

(iv) the details of deposits which are not in compliance with the requirements of Chapter V of the Act: **NA**

13. WEB LINK OF ANNUAL RETURN

Annual Report for the F.Y 2025-26 will be available on our website i.e www.thedronedestination.com.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, the were no changes in status of Directors and/or Key Managerial Personnel.

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, two-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, **Mrs. Shashi Bala (DIN: 01547327)** and **Mr. Raminder Kumar Verma (DIN: 10064817),** Directors of your Company will retire by rotation at the ensuing AGM, and being eligible, offers themself for re-appointment in accordance with provisions of the Act.

Pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b), 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr. Satendra Singh (DIN: 07618098) and Mr. Rajiv Ahuja (DIN: 02297731)** were reappointed as an Independent Director of the Company for a second term of **Five (5)** years w.e.f. 29th April 2026 upto 28th April 2031 in Extra-Ordinary General Meeting held on 2nd April 2026.

15. BOARD AND COMMITTEES' COMPOSITION AND THEIR MEETINGS

Annual Evaluation of Directors, its Committees and Board:

The formal annual evaluation of the performance of the Board and that of its committees has been carried out through a structured evaluation process covering various aspects of the Board's functioning such as the Board structure & composition, effectiveness of the Board process, information flow & functioning, quality of relationship between the Board and the Management, establishment, and delineation of the responsibilities to Committees etc. The performance of Individual Directors was evaluated on parameters such as professional conduct, performance of duties, role and functions, contribution to the Board / Committee etc. by self – evaluation process. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with your Company.

As on the date, the Board of Directors of your Company comprises of total Five (5) Directors. The composition of the Board of Directors is as under:

Sl. No.	Name of the Director	DIN No.	Designation
1	Mr. Chirag Sharma	05271919	Managing Director
2	Mrs. Shashi Bala	01547327	Executive Director
3	Mr. Raminder Kumar Verma	10064817	Non-Executive Director
4	Mr. Rajiv Ahuja	02297731	Independent Director
5	Mr. Satendra Singh	07618098	Independent Director

During the Financial Year under review, 5 (Five) meetings were held by the Board of Directors viz, 10th May 2025, 29th May 2025, 2nd September 2025, 14th November 2025 and 6th March 2026. Further, the intervening gap between the Meetings was within the period prescribed under the Act.

Details of attendance of Directors in Board Meetings held during the Financial Year 2025-26 are as under:

Sl. No.	Name of the Director	DIN No.	Attendance particulars in Board Meetings
	Mr. Chirag Sharma	05271919	5

	Mrs. Shashi Bala	01547327	5
	Mr. Raminder Kumar Verma	10064817	5
	Mr. Rajiv Ahuja	02297731	4
	Mr. Satendra Singh	07618098	5

Details of the attendance of Members of the Committees held during the Financial Year 2025-26 are as under:

AUDIT COMMITTEE:

During the Financial Year under review, 5 (Five) meetings were held by the Audit Committee viz, 10th May 2025, 29th May 2025, 2nd September 2025, 14th November 2025 and 6th March 2026. Further, the intervening gap between the Meetings was within the period prescribed under the Act.

The composition of the Committee and the details of meetings attended by its members are given below:

Sl. No.	Name of the Director	DIN No.	Attendance particulars in Committee Meetings
1.	Mr. Chirag Sharma	05271919	5
2.	Mr. Rajiv Ahuja	02297731	4
3.	Mr. Satendra Singh	07618098	5

NOMINATION AND REMUNERATION COMMITTEE:

During the Financial Year under review, 4 (Four) meetings were held by the Nomination and Remuneration Committee viz, 10th May 2025, 29th May 2025, 2nd September 2025 and 6th March 2026. Further, the intervening gap between the Meetings was within the period prescribed under the Act.

The composition of the Committee and the details of meetings attended by its members are given below:

Sl. No.	Name of the Director	DIN No.	Attendance particulars in Committee Meetings
1.	Mr. Raminder Kumar Verma	10064817	4
2.	Mr. Rajiv Ahuja	02297731	3
3.	Mr. Satendra Singh	07618098	4

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

During the Financial Year under review, 1 (One) meeting was held by the Stakeholder's Relationship Committee viz, 6th March 2026.

The composition of the Committee and the details of meetings attended by its members are given

below:

Sl. No.	Name of the Director	DIN No.	Attendance particulars in Committee Meetings
1.	Mr. Chirag Sharma	05271919	1
2.	Mr. Raminder Kumar Verma	10064817	1
3.	Mr. Rajiv Ahuja	02297731	0

16. DISCLOSURE REGARDING CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the Financial Year provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company.

17. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Schedule IV under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of your Company was held on 26th March 2026 to review the performance of Non-Independent Directors, the Board as whole and evaluation of performance of your Company. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the

Board and its Committees, which are necessary to effectively and reasonably perform and discharge their duties.

18. STATUTORY DISCLOSURES

None of the Directors of your Company is disqualified as per the provisions of Section 164(2) of the Act. The Directors of your Company have made necessary disclosures, as required under various provisions of the Act.

19. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As required by the provisions of Companies Act, 2013, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given under:

(A) Conservation of energy- NA

(i) the steps taken or impact on conservation of energy;

(ii) the steps taken by your Company for utilising alternate sources of energy;

(iii) the capital investment on energy conservation equipments;

(B) Technology absorption-NA

(i) the efforts made towards technology absorption;

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo:-

The details of earnings and outgo in Foreign Exchange during the Financial Year ended March 31, 2026 are as follows:

Earnings: Nil

Outgo: 931.80 (In Thousands)

20. COMPLIANCES OF SECRETARIAL STANDARDS

During the Financial Year, your Company has duly complied with all the requirements as laid down in the applicable Secretarial Standards.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors, based on the representation as provided to the Board by the management, confirm that:

a) in the preparation of the Annual Financial Statements for the Financial Year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on March 31, 2026, and of the profit & loss of your Company for the year under review;
c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
d) the directors have prepared the Annual Financial Statements for the Financial Year ended March 31, 2026 on a 'going concern' basis;

The directors have devised proper system to ensure compliance with the provisions of all the provisions of all applicable laws and that such system was adequate and operating effectively.

22. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The provisions of Section 149 of the Companies Act, 2013 with respect to the appointment of Independent Directors are applicable to your Company for the Financial Year ending March 31, 2026.

The Board, after undertaking due assessment of the veracity of the declaration submitted by the Independent Directors under sub section (6) of Section 149 of the Companies Act, 2013 was of the opinion that the Independent Directors meet the criteria of independence, are independent from Management and have necessary integrity, expertise, skills and experience required for their appointment as Independent Director.

As required vide Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 they have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs. Based on the declarations received from the Directors, the Board confirms, that the Independent Directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management. The Board of Directors are of the opinion that Mr. Rajiv Ahuja and Mr. Satendra Singh, Independent Directors of your Company meet the necessary criteria for continuing as Independent Directors of your Company.

23. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s GAMS & Associates LLP, Chartered Accountants (Firm Registration No. N500094), were appointed as Statutory Auditors of your Company to hold office from the conclusion of 1st Annual General Meeting ("AGM") for a period of five years till the conclusion of the 6th AGM of your Company to be held in the year 2025.

As the tenure of the Statutory Auditor was concluded till 6th AGM of the Company, hence pursuant to the provisions of Section 139(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, GAMS & Associates LLP, Chartered Accountants (Firm Registration No. N500094), be and are hereby reappointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2030.

24. STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further, the observations of the Auditors in their report read together with the

Notes to Financial Statements are self-explanatory and therefore, in the opinion of the Board of Directors, do not call for any further explanation.

25. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

During the period under review, there is no transactions covered under section 186 of the Companies Act, 2013.

26. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis and in the ordinary course of business. Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in the Form AOC-2 which is annexed herewith as **" Annexure I"** and forms part of this Report.

27. RISK MANAGEMENT POLICY

Your Company has laid down a well-defined Risk Management Mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detail exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The Board reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Your Company has Risk Management Policy and it is available on your Company's website i.e. www.thedronedestination.com.

28. CORPORATE GOVERNANCE

As per Regulation 15 read with Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance Disclosure does not apply to your Company listed on the SME platform. Hence, your Company is not required to make disclosures in Corporate Governance Report.

29. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls with reference to financial statements. The internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors.

Also, your Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

During the Financial Year 2025-26, such controls were tested and no reportable material weakness in the design or operation was observed.

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, your Company encourages the employees to voice their genuine concerns without fear of censure, therefore Company's ultimate holding Company has built in and set up the Vigil Mechanism Policy applicable to your Company, according to which all the directors, employees of your Company including third party, are eligible to make disclosures under the mechanism in relation to the matter concerning your Company.

Details of the Whistle Blower Policy are made available on your Company's website www.thedronedestination.com.

31. DETAILS OF SUBSIDIARIES/JOINT VENTURES/ASSOCIATES COMPANIES

During the period under review, your Company has **one foreign subsidiary** in terms of Section 2(87) of the Act in the name of "Drone Destination Europe Limited" incorporated on 18th August, 2025 at Cyprus. Therefore, the statement containing the salient features of the financial statement of subsidiaries, associates or joint ventures under the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 in Form AOC-1 is not applicable.

Following are the Companies in which Director's has the common shareholding:

Nature of Relationship	Name of Entities
Body corporate in which 20% or more of the share capital is held by the Directors or an immediate relative of the Directors or a firm	1. Drone Destination Services Private Limited

or HUF in which the Directors or any one or more of their immediate relative is a member.	2. Hubblefly Technologies Limited 3. Agristar Technologies Private Limited 4. Air One Aviation Private Limited 5. Airone Charters Private Limited 6. Air One Logistics Private Limited 7. Airone Support Services Private Limited 8. Peace Angels Foundation 9. Mint Aviation Private Limited 10. Spectrum Universal Trade Private Limited 11. Flosaira Floral Art Private Limited 12. Kastha Entertainment Private Limited 13. Drone Soccer Private Limited 14. Drone Soccer Association India 15. Hubblefly Batteries Private Limited
Body corporate in which a body corporate as mentioned above holds 20% or more of the total share capital	1. Ezee Charters Private Limited 2. Hubblefly Drone Services DWC-LLC 3. Drone Destination Europe Limited

32. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the Listing Regulations, 2015, Business Responsibility Report is not applicable to your Company.

33. COST RECORDS

Maintenance of cost records as specified by the central government under sub-section (1) of Section 148 is not applicable to Company.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and rules framed thereunder. The Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the organization. An Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any, received from women employees and other women associates. All employees (permanent, contractual, temporary, trainees) are covered under this policy, which also extends to cover all women stakeholders of your Company. The following is the summary of sexual harassments complaints received and disposed off during the Financial Year ended March 31, 2026.

No. of Complaints Received – Nil

No. of Complaints disposed off – Nil

No. of Cases Pending for more than 90 Days – Nil

No. of Workshops of awareness program against sexual harassment carried out : Mention Any Training Program conducted during year under review Nature of action taken by the employer or district officer ; Nil.

35. PARTICULARS OF EMPLOYEES

The disclosure as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as "**Annexure II"** and forms part of this Report.

36. SECRETARIAL AUDITOR AND IT'S REPORT

The Annual Secretarial Compliance Report, as required under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.: CIR/CFD/CMD1/ 27/2019 dated 8th February, 2019, is not applicable to our Company due to the exemption provided under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The shares of the Company are listed on SME Emerge Platform of National Stock Exchange of India Limited.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed Mr. Arvind Kumar Roy, the proprietor of M/s. A. K. Roy & Associates, Company

Secretaries (FCS No. F8308; CP No.: 9147), to undertake the Secretarial Audit of your Company for the Financial Year 2025- 26.

There are no disqualifications, reservations, adverse remarks, or disclaimers in the Secretarial Auditor's report except the following observation:

During the period, the Company has not filed charge form against the vehicle with MCA, however those loans were treated as secured loans because on the registration certificates of the vehicles, hypothecation has been marked.

Director's Comment: The issue has already discussed by the board of directors.

The Report of the Secretarial Audit Report is furnished herewith in "**Annexure III".**

37. DETAILS OF FRAUD IF ANY, REPORTED BY AUDITORS

During the Financial Year under review, the Statutory & Secretarial Auditors have not reported any incident of fraud to the Board of Directors of your Company, pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by the Regulators/ Courts which would impact the going concern status of your Company and its operations in future.

39. DETAILS OF APPLICATIONS MADE UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The above clause is not applicable to your Company as your Company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2025-26.

40. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

The above clause is not applicable to your Company as your Company has not entered into any settlement from Banks or Financial Institutions during the year under review.

41. CODE OF CONDUCT AS PER SEBI (PREVENTION OF INSIDER TRADING) REGULATIONS, 2015

The Board of Directors has laid down the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information as per Regulation 8(1) of SEBI (Prevention of Insider Trading) Regulations, 2015 & Code of Conduct to Regulate, Monitor and Report trading by the Designated Persons as per Regulation 9(1) of SEBI (Prevention of Insider Trading) Regulations, 2015.

42. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic market conditions affecting cost as well as the selling prices of the services, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

43. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Customers and other business associates who have extended their valuable sustained support and encouragement during the Financial Year under review.

By Order of the Board of Directors

For Drone Destination Limited

	Sd/-	**Sd/-**
Place: New Delhi	**CHIRAG SHARMA**	**SHASHI BALA**
Date: 07.09.2026	**MANAGING DIRECTOR**	**DIRECTOR**
	DIN: 05271919	**DIN: 01547327**

"**Annexure -I"**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by your Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

Details of contracts or arrangements or transactions not at arm's length basis:
There were no contracts or arrangements or transactions entered into during the Financial Year ended March 31, 2026, which are not on arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis:
The details of material contracts or arrangements or transactions entered into during the Financial Year ended March 31, 2026, which are on arm's length basis:

(Rs. in Thousand)

Sl. No.	Particulars	Details
1)	Name (s) of the related party & nature of relationship	Hubblefly Technologies Limited (Formerly Known as Hubblefly Technologies Private Limited) An Enterprise in which director exercising significant influence
	Nature of contracts / arrangements/ transactions	Purchase/ Supply of any goods or materials
	Duration of the contracts/ arrangements/transactions	Course of Business/ Continuing Business Agreement
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	7,461.30
2)	Name (s) of the related party & nature of relationship	Agristar Technologies Private Limited) An Enterprise in which director exercising significant influence

	Nature of contracts / arrangements/ transactions	Purchase/ Supply of any goods or materials
	Duration of the contracts/ arrangements/transactions	Course of Business/ Continuing Business Agreement
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	-
3)	Name (s) of the related party & nature of relationship	Hubblefly Batteries Private Limited An Enterprise in which director exercising significant influence
	Nature of contracts / arrangements/ transactions	Purchase/ Supply of any goods or materials
	Duration of the contracts/ arrangements/transactions	Course of Business/ Continuing Business Agreement
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	15,120.98
4)	Name (s) of the related party & nature of relationship	Alok Sharma, Relative of Director
	Nature of contracts / arrangements/ transactions	Salary
	Duration of the contracts/ arrangements/transactions	Course of Business
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	-
5)	Name (s) of the related party & nature of relationship	Vivek Sharma, Relative of Director
	Nature of contracts / arrangements/ transactions	Salary

	Duration of the contracts/ arrangements/transactions	Course of Business
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	-
6)	Name (s) of the related party & nature of relationship	Alok Sharma, Relative of Director
	Nature of contracts / arrangements/ transactions	Rent
	Duration of the contracts/ arrangements/transactions	Course of Business
	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	Date of approval by the Board, if any	14th November, 2025
	Amount paid as advances, if any	-

By Order of the Board of Directors

For Drone Destination Limited

Sd/-
CHIRAG SHARMA
MANAGING DIRECTOR
DIN: 05271919

Sd/-
SHASHI BALA
DIRECTOR
DIN: 01547327

Place: New Delhi
Date: 07.09.2026

“Annexure–II”

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. The ratio of remuneration of each director to the median remuneration of employees for the Financial Year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the

Financial Year:

Sr. No.	Name	Designation	Nature of Payment	Ratio of the remuneration of each director to the median remuneration of the employees	Percentage Increase
1.	Chirag Sharma	Managing Director	Director’s Remuneration	11.00	NIL
2.	Shashi Bala	Executive Director	Director’s Remuneration	7.00	NIL

B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name of Director/Key Managerial Personnel	Designation	Percentage Increase
1.	Chirag Sharma	Managing Director	NIL
2.	Shashi Bala	Executive Director	NIL
3.	Raminder Kumar Verma	Non-Executive Director	NIL
4.*	Arun Kumar	Chief Financial Officer	NIL
5.**	Ayushi Gupta	Company Secretary cum Compliance Officer	NIL

C. Percentage increase in the median remuneration of employees in the Financial Year:

The percentage decrease in the median remuneration of the employees in the Financial Year was 48%(approx.).

D. The number of permanent employees on the rolls of your Company for the year ended March 31, 2026: 54

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration for employees is 0.15% to 0.25% (approx.). The average increase in overall managerial remuneration is 0%.

F. The Board of Directors of your Company affirmed that remuneration of all the Key Managerial

Your Company affirms that the remuneration is as per the remuneration policy of your Company.

By Order of the Board of Directors

For Drone Destination Limited

Place: New Delhi **Date: 07.09.2026**	**Sd/-** **CHIRAG SHARMA** **MANAGING DIRECTOR** **DIN: 05271919**	**Sd/-** **SHASHI BALA** **DIRECTOR** **DIN: 01547327**

ANNEXURE - III

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31,2026,

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

DRONE DESTINATION LIMITED,

CIN: L60200DL2019PLC349951

Office No.-005B & 006, Ground Floor, NSIC-MDBP Building,

Okhla Industrial Estate, New Delhi-110020. INDIA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DRONE DESTINATION LIMITED, CIN: - L60200DL2019PLC349951**

(hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31,2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(External Commercial Borrowings and Foreign Direct Investment Not Applicable to the Company during the Audit Period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;
(Not Applicable to the Company during the Audit Period)

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards

We report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
- The Securities and Exchange Board of India (Merchant Bankers) Regulations,1992;
- The Securities and Exchange Board of India(Underwriters) Regulations, 1993;
- The Securities and Exchange Board of India (Stock brokers) Regulations, 1992 and Rules, Regulations and Bye-laws of Stock Exchanges;
- The Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011;
- The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;
- The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

For the compliance of Labour laws and other General Laws vis-à-vis the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Maternity Benefits Act, 1961, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the company and to the best of our judgment and understanding of the applicability of the different enactments of the company to monitor and ensure compliance with all application General Laws.

We have also examined compliances of the applicable clauses of the mandatory Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

We report that the compliance by the Company of applicable financial laws including auditing/accounting standards, direct and indirect tax laws, have not been reviewed in this audit since the same have been subject to review by the Statutory Financial Auditor and other designated professionals.

We report that Pursuant to sections 77,78,79 and Section 82(1) and pursuant to Section 384 of the Companies Act, 2013 and Rule 3(1) and 13 of the Companies (Registration of Charges) Rules 2014] The officers, agents and authorized representatives are furnished data in relation to Charges during the conduct of secretarial audit.

We report That during the period under review the Company Altered its MOA as-

1. To enter into partnership or into any arrangement for sharing profits, union of interests, cooperation, joint-venture, reciprocal concessions or otherwise with any person, or company carrying on or engaged in any business or transaction which this Company is authorized to carry on.

2. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any company, firms or person carrying on business which this Company is authorized to carry on or is possessed of rights suitable for the objects of this Company.
3. To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and to do all such other things as are incidental or as may be conducive to the attainment of the objects or any of them.

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For

A.K.ROY & ASSOCIATES

Sd/-

Arvind Kumar Roy

FCS No.-8308

CP No. - 9147

UDIN- F00830BH001399698

Place- New Delhi

Date: - 07th September 2026.

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

Annexure

To,

The Members,

DRONE DESTINATION LIMITED,

CIN: L60200DL2019PLC349951

Office No.-005B & 006, Ground Floor, NSIC-MDBP Building,

Okhla Industrial Estate, New Delhi-110020. INDIA

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Thanking You
For,

A.K.ROY & ASSOCIATES
(Company Secretaries)

Sd/-
Arvind Kumar Roy
FCS NO- 8308, C.P NO.-9147,
UDIN - F008308H001399698
Place – New Delhi
Date – 07th September, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of **DRONE DESTINATION LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DRONE DESTINATION LIMITED (Formerly known as Drone Destination Private Limited), which comprise the balance sheet as at 31 March 2026, and the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit, total comprehensive income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw attention to the following notes to the financial statements:

Note 14 – Trade Receivables (Unbilled Revenue)

Largely pertains to the Govt related activities undertaken through third parties. Whilst the company has finished work in its scope, but the third parties have requested for billing only after onward acceptance by Government bodies. Since the technology is new and the government bodies are checking and finalizing the accuracy and completeness of data with comparison to actual physical map records available with the government departments being the reason that they are able to process and approve data rather slowly. Management is confident, the same will be billed and approved in the coming year and complete payment will be realized. The management should take appropriate steps for final approval and billing.

Our opinion on the financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters other than specified below:

Revenue Recognition

Refer Note 2.03 – Revenue from Services

Revenue recognition on sale of services	How the matter was addressed in our audit
1) Revenue from training is recognized when the training is completed. 2) Revenue from Survey and Mapping is recognized as sales of services after the acceptance of the Data by the party/principal. If the data has been flown, processed and submitted but yet to be accepted as it is treated as unbilled revenue. and If the data has been flown and/or processed but not submitted then the same is recognized as Work in progress.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others, to obtain sufficient appropriate audit evidence: • Evaluated the Company’s revenue recognition policies by comparing it with applicable accounting standards. • Performed testing of design and implementation and the operating effectiveness of the relevant key internal controls over recognition of revenue. • On a statistical sample basis, tested the revenue transactions recorded during the year by verifying the underlying documents such as sales invoices/contracts, pilot log books, drone log book, data processing records, data submission records, training records and pilot training certificates. • Scrutinised journal entries posted to revenue account based upon specific risk based criteria, to identify unusual or irregular items.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Company's Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matter specified in paragraph 3 & 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, the comments required to be given under section 143(3)(i) of the Companies Act, 2013, refer to our separate unqualified report in "Annexure B".

g) As required by Section 197(16) of the Act, based on our audit, we report that the company has paid Director Remuneration of Rs 64.39 Lakhs which is beyond the limits prescribed u/s 197 of Companies Act 2013. Approval of shareholders for the excess amount is yet to be taken.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, recorded in writing or otherwise, that the Intermediary shall not directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities

("Funding Parties"), with the understanding, recorded in writing or otherwise, that the company shall not, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend has been declared or paid during the year under audit by the company.

vi. (a) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023 and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

(b) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2026. The same has been maintained and the company is in compliance of the same.

For G A M S & ASSOCIATES LLP
Chartered Accountants
(Firm Reg. No.: N500094)

Sd/-

CA S. C. Singhal
(Partner)
(Membership No.: 088157)
Place: New Delhi
Date: 29/05/2026
UDIN: 26088157KAYRFW4114

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date to the members of DRONE DESTINATION LIMITED for the year ended 31st March, 2026.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B)The company is maintaining proper records showing full particulars of intangible assets;

(b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no title deeds of the immovable properties that are not in the name of the company as disclosed in the financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, as per the information provided by the management no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

(ii) (a) The physical verification of inventory of goods and spares has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of physical verification;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has sanctioned cash credit limits from banks against hypothecation of Inventory and book debts.

The Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with books of account of the company except as mentioned below:

(Amounts in '000s)

Quarterly	As per Statement submitted at Bank		Amount as per books of account (B)	
	Book Debts	**Inventory**	**Book Debts**	**Inventory**
Sep-25	2,22,314.60	1,73,791.99	2,22,314.60	1,73,791.99
Mar-26	2,77,545.98	1,87,189.10	2,77,545.98	1,87,189.10

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has provided Security to Key Managerial Personnel (KMP) against rented premises.

(a) The aggregate amount of such security is 15 Lakhs and the balance outstanding at the Balance Sheet date as at 31.03.2026 is 15 Lakhs.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the security has been provided interest free to the KMP and is not prejudicial to the company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans or advances in the nature of loans.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no such amount overdue.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan or advance in the nature of loan granted which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Consequently, clause (iii)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loans or advances in the nature of loans.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act, the company has complied with the same.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not accepted any deposits or there are no amounts which are deemed to be deposits, to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, are applicable.

(vi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013. Consequently, clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues:

(a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there are no material statutory dues in arrears as on the last day of the financial year for a period of more than six months from the date they became payable;

(b) The following statutory dues referred to in sub-clause (a) have not been deposited on account of dispute, the amounts involved and the forum where dispute is pending are as under-

Name of the statute	**Nature of dues**	**Amount (in Rs)**	**Period to which the amount relates**
Income Tax Act, 1961	TDS	31,810/-	FY 2021-22
Income Tax Act, 1961	TDS	3,620/-	FY 2022-23
Income Tax Act, 1961	TDS	18,180/-	FY 2023-24
Income Tax Act, 1961	TDS	72,850/-	FY 2024-25
Income Tax Act, 1961	TDS	3,09,740/-	FY 2025-26

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The company has obtained term loans during the year under audit and the same were applied for the purpose these loans were obtained.

(d) There are no funds raised on short term basis which have been utilized for long term purposes.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) During the year under audit, the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) During the year under audit, no moneys are raised by way of initial public offer or further public offer (including debt instruments);

During the year, the company has issued no warrants (PY 7 lakhs partly paid-up warrants). During the year no amount has been received against partly paid-up warrants (PY Out of this full amount was received for 1 Lakh warrants and the same were converted into Equity Shares On balance 6 lakhs warrant 25% amount has been received.)

The requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds have been used for which they were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) As per the details and information provided by the management, there were no whistle-blower complaints which have been received;

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, clause (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable Accounting Standards.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The report of the Internal Auditor for the year were considered by us for statutory audit purposes.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) As per the information and details provided by the management, the Group has no CIC as part of the Group;

(xvii) The company has incurred no cash losses in the financial year and in the immediately preceding financial year;

(xviii) There has not been any resignation of the statutory auditors during the year;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xx) Section 135(5) of the said Act is not applicable to the company for year under audit.

(xxi) The companies' financial statements are standalone financials; no consolidated financials are applicable.

For G A M S & ASSOCIATES LLP

Chartered Accountants
(Firm Reg. No.: N500094)

Sd/-
CA S. C. Singhal
Partner
(Membership No.: 088157)
Place: New Delhi
Date: 29/05/2026
UDIN: 26088157KAYRFW4114

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DRONE DESTINATION LIMITED** ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

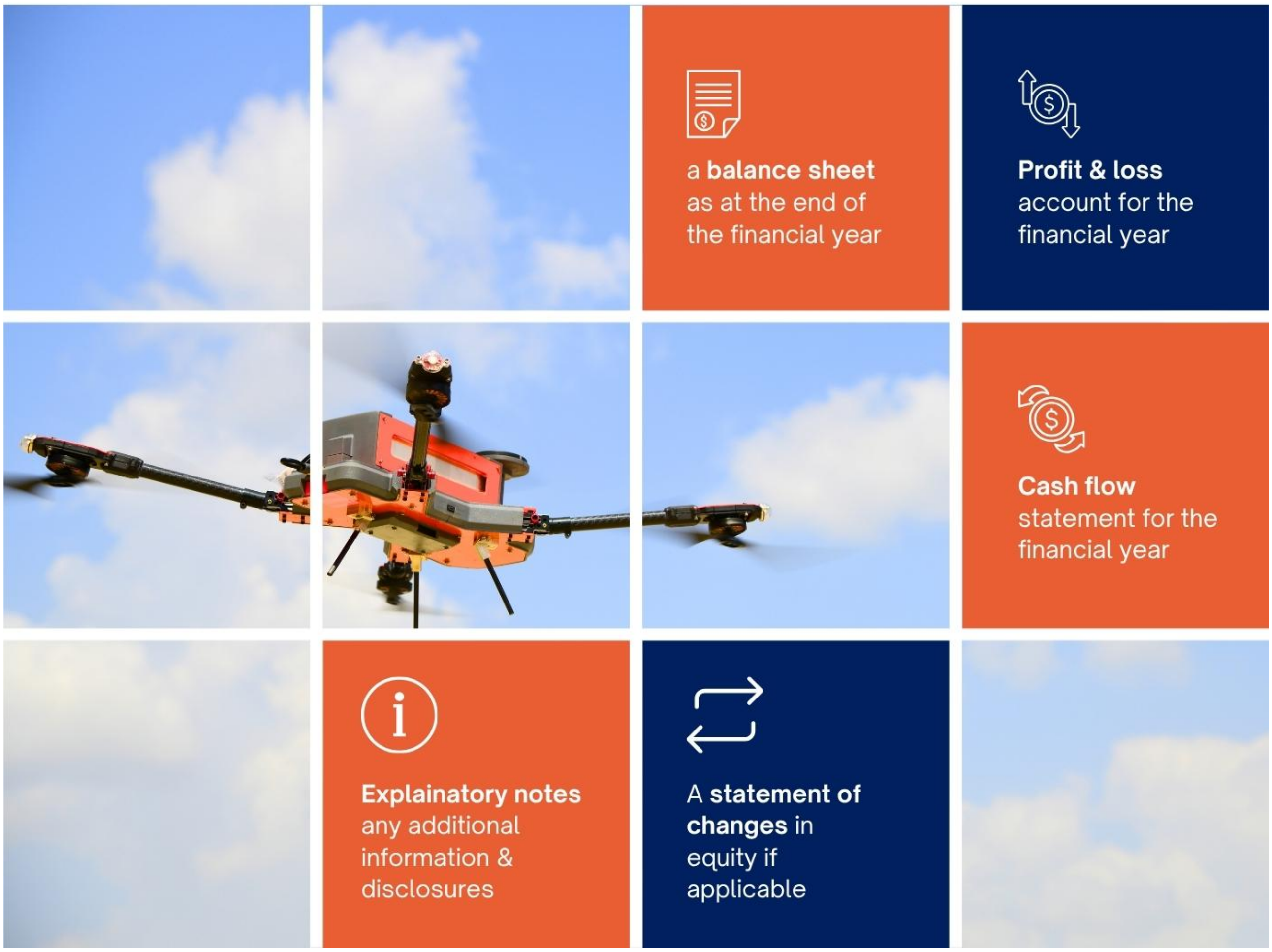
For G A M S & ASSOCIATES LLP

Chartered Accountants
(Firm Reg. No.: N500094)

Sd/-

CA S. C. Singhal
Partner
(Membership No.: 088157)
Place: New Delhi
Date: 29/05/2026
UDIN: 26088157KAYRFW4114

Financial Statements



Drone Destination Limited
(Formerly known as Drone Destination Private Limited)
Reg Office : Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi - 110020
CIN: L60200DL2019PLC349951
Balance Sheet as at 31st March, 2026

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	Note No.	As at March 2026 Rs.	As at March 2025 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	2,43,999.98	2,43,999.98
(b) Reserves and surplus	4	3,62,664.96	3,49,444.21
(c) Money Received against compulsory convertible warrants	4a	-	1,500.00
2 Share application money pending allotments		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	85,088.65	39,546.46
(b) Deferred tax liabilities (net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long term provisions	6	3,151.23	1,804.69
4 Current liabilities			
(a) Short Term Borrowings	7	1,51,391.46	1,20,140.79
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	8	20,174.59	16,612.60
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises	8	20,575.12	3,575.45
(c) Other current liabilities	9	12,446.82	15,644.05
(d) Short-term provisions	10	75.39	4.83
TOTAL		**8,99,568.21**	**7,92,273.05**
B ASSETS			
1 Non-current assets			
(a) Property, Plant, Equipment and Intangible Assets			
(i) Property, Plant, Equipment	11	1,47,465.0	1,75,140.4
(ii) Intangible Assets	11	4,754.7	2,631.0
(iii) Capital Work in progress		-	-
(iv) Intangible assets under development	11	-	2,640.0
(b) Non-current investments		-	-
(c) Deferred Tax Assets (Net)	32	15,276.94	23,678.82
(d) Long term loans and Advances		-	-
(e) Other Non Current Assets	12	8,581.53	5,651.09
2 Current assets			
(a) Current Investments		-	-
(b) Inventories	13	1,87,189.10	1,69,359.72
(c) Trade receivables	14	2,77,545.98	1,79,024.60
(d) Cash and cash equivalents	15	1,97,680.74	1,74,764.38
(e) Short-term loans and advances	16	48,755.71	33,830.93
(f) Other Current Assets	17	12,318.50	25,552.16
TOTAL		**8,99,568.21**	**7,92,273.05**

See accompanying notes forming part of the financial statements
In terms of our report of even date attached.

For G A M S & Associates LLP
Chartered Accountants
Firm Regn. No. N500094

Sd/-

CA S C Singhal
Partner
M. No. 088157
Place: New Delhi
Date: 29/05/26
UDIN: 26088157KAYRFW4114

For and on behalf of the Board of Directors
Drone Destination Limited

Sd/-	**Sd/-**
Chirag Sharma **Managing Director** **DIN : 05271919**	**Shashi Bala** **Director** **DIN : 01547327**
Sd/-	**Sd/-**
Arun Kumar **Chief Financial Officer** **PAN: APYPA9884K**	**Ayushi Gupta** **Company Secretary** **M No. A49249**

Drone Destination Limited

(Formerly known as Drone Destination Private Limited)

Reg Office : Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi - 110020

CIN: L60200DL2019PLC349951

Statement of Profit and Loss account for the year ended 31st March 2026

All amounts in Indian ₹ in Thousand, unless otherwise stated

	Particulars	Note No.	For the year ended 31 March, 2026	For the year ended 31 March, 2025
			Audited	Audited
I	Revenue from operations (Gross)	18	3,50,662.15	2,48,974.30
	Less : Excise Duty		-	-
	Revenue from operations (Net)		**3,50,662.15**	**2,48,974.30**
II	Other Income	19	15,646.88	8,423.02
III	**Total Income (I+II)**		**3,66,309.03**	**2,57,397.32**
IV	**Expenses**			
	(a) Cost of Stores and Spares consumed	20	10,205.88	1,322.40
	(b) Purchase of Stock in Trade	21	86,943.85	1,66,563.31
	(c) Change in Inventory	22	-11,630.00	-1,42,495.51
	(d) Employee benefits expense	23	53,348.22	76,905.19
	(e) Finance costs	24	29,114.51	14,519.05
	(f) Depreciation and amortisation expense	11	63,353.00	78,970.02
	(g) Other expenses	25	1,14,803.33	1,50,245.89
	Total Expenses		**3,46,138.79**	**3,46,030.35**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		**20,170.25**	**-88,633.03**
VI	**Exceptional Items**			
	Adjustment for Previous Year Depreciation		-	-
VII	**Profit before extraordinary items and tax (V-VI)**		20,170.25	-88,633.03
VIII	**Extraordinary Items**		-	-
IX	**Profit before Tax (VII-VIII)**		20,170.25	-88,633.03
X	**Tax Expense:**			
	(a) Current tax expense		-	-
	(b) Deferred tax	32	8,401.88	-20,494.50
	(c) Previous Year Tax Adjustment	32	47.61	-
	Net Current Tax		8,449.49	-20,494.50
XI	**Profit / (Loss) for the period from continuing operations**		11,720.76	-68,138.53
XII	**Profit / (Loss) from discontinuing operations**		-	-
XIII	**Tax from discontinuing operations**		-	-
XIV	**Profit/ (Loss) from discontinuing operations (XII-XIII)**		-	-
XV	**Profit/ (Loss) for the Period (XI+XIV)**		**11,720.76**	**-68,138.53**
XVI	**Earning per equity share (of ₹ 10 each)**			
	(1) Basic		**0.48**	**-2.81**
	(2) Diluted		**0.48**	**-2.81**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached.

For G A M S & Associates LLP
Chartered Accountants
Firm Regn. No. N500094

Sd/-

CA S C Singhal
Partner
M. No. 088157
Place: New Delhi
Date: 29/05/26
UDIN: 26088157KAYRFW4114

For and on behalf of the Board of Directors
Drone Destination Limited

Sd/-	**Sd/-**
Chirag Sharma	**Shashi Bala**
Managing Director	**Director**
DIN : 05271919	**DIN : 01547327**
Sd/-	**Sd/-**
Arun Kumar	**Ayushi Gupta**
Chief Financial Officer	**Company Secretary**
PAN: APYPA9884K	**M No. A49249**

Drone Destination Limited			
(Formerly known as Drone Destination Private Limited)			
Reg Office : Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi - 110020			
CIN: L60200DL2019PLC349951			
Statement of Cash Flow for the year ended 31st March 2026			
		All amounts in Indian ₹ in Thousand, unless otherwise stated	
S. No.	**Particulars**	**FY 2025-26**	**FY 2024-25**
A.	***Cash Flow from operating Activities***		
	Net Profit Before Taxation, and extraordinary item	20,170.25	-88,633.03
	Adjustment for :		
	Depreciation	63,353.00	78,970.02
	Bad Debts	-340.27	3,649.25
	Unbilled revenue written off	-	33,214.60
	Interest Expenses	27,256.19	6,511.66
	Interest Income	15,126.13	7,556.57
	Loss on sale of Fixed Assets	12,362.00	-
	Operating profit before Working Capital Changes	**95,325.40**	**26,155.94**
	Adjustment for :		
	Decrease / (Increase) in Trade & Other Receivables	-98,150.13	-26,293.90
	Decrease / (Increase) in Current Assets	-1,738.73	1,10,971.43
	Decrease / (Increase) in Other Non Current Assets	-2,930.43	4,303.32
	Decrease / (Increase) in Inventory	-17,829.38	-1,43,890.71
	(Decrease) / Increase in Current Liabilities	20,561.66	-31,937.41
	(Decrease) / Increase in other liabilities	-3,197.23	-7,964.23
	(Decrease) / Increase in Short term Provisions	70.56	2.63
	(Decrease) / Increase in Long term Provisions	1,346.54	768.04
	Cash Generated from operations	**-6,541.74**	**-67,884.88**
	Less : Income tax paid	-	-33,395.37
	Net Cash from Operating Activities [A]	**-6,541.74**	**-1,01,280.25**
B.	***Cash Flow from/ (Used in) Investing Activities***		
	Purchase of Fixed Assets	-35,254.70	-1,05,890.52
	Sale of Fixed Assets	50.00	-
	Interest Income	15,126.13	7,556.57
	Net Cash from Investing Activities [B]	**-20,078.57**	**-98,333.95**
C.	***Cash Flow from/ (Used in) Financing Activities***		
	Cash from Issuance of Share Capital including Premium	-	46,750.00
	Long Term Borrowings	45,542.20	15,090.97
	Short Term Borrowings	31,250.67	1,04,849.64
	Interest Paid	-27,256.19	-6,511.66
	Net Cash used in Financing Activities [C]	**49,536.68**	**1,60,178.95**
	Net Increase/ (Decrease) in cash and Cash Equivalents [A+B+C]	**22,916.37**	**-39,435.25**
Cash and Cash Equivalents			
Opening Balance		1,74,764.38	2,14,199.62
Closing Balance		1,97,680.74	1,74,764.38
Net Increase/ (Decrease) in cash and Cash Equivalents		**22,916.37**	**-39,435.25**

Notes: The above stated flow statement has been prepared in accoradance with the 'Indirect Method' as set out in the Accounting Standard (AS 3) on "Cash Flow Statement"

The notes referred to above form an integral part of the financial statements.

In terms of our report attached.

	For and on behalf of the Board of Directors	
For G A M S & Associates LLP	**Drone Destination Limited**	
Chartered Accountants		
Firm Regn. No. N500094		
	Sd/-	**Sd/-**
	Chirag Sharma	**Shashi Bala**
Sd/-	**Managing Director**	**Director**
	DIN : 05271919	**DIN : 01547327**
CA S C Singhal	**Sd/-**	**Sd/-**
Partner		
M. No. 088157	**Arun Kumar**	**Ayushi Gupta**
Place: New Delhi	**Chief Financial Officer**	**Company Secretary**
Date: 29/05/26	**PAN: APYPA9884K**	**M No. A49249**
UDIN: 26088157KAYRFW4114		

Drone Destination Limited

(Formerly known as Drone Destination Private Limited)

Reg Office : Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi - 110020

CIN: L60200DL2019PLC349951

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note	Particulars
1	**Corporate information**
	Drone Destination Limited was incorporated on May 10, 2019 as Private Limited company. The company was converted from Private Limited to Limited on 4th May, 2023. The company was listed with NSE under the SME Emerge 21st July, 2023 The company is engaged in the the business of trading, operations, manufacturing, repair, renting services and training on various type of Drones including Multirotor, Fixed Wing, Hybrid UAV, e-VTOL, UAS, SUAV, RPV, RPAS, UWV, UGV etc.
2	**Significant accounting policies**
2.01	**Basis of accounting and preparation of financial statements**
	The accounts have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian GAAP. Accounts and Disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules, 2021 which continue to apply under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncement of ICAI, provisions of the Companies Act.
	All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services provided, the Company has ascertained (except for Investment & Loans & Advances) its operating cycle as 12 months for the purpose of current, noncurrent classification of assets & liabilities. In the case of Investments and Loan & Advances which are for purposes of setting up of infrastructure needed for business, they are treated as Current Assets till they are partly paid up or till execution of a definitive agreement with the parties.
2.02	**Use of estimates**
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.03	**Revenue recognition**
	Revenue from Sales
	Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at the factory gate of the Company or a specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.
	Revenue from services
·	Revenues from contracts priced on a per activity basis are recognised on completion of the activity and those based on time and material basis are recognised when services are rendered and related costs are incurred.
·	Revenue from training is recognised when the training is completed.
·	Revenue from Survey and Mapping is recognised as sales of services after the acceptance of the Data by the party/principal. If the data has been flown, processed and submitted but yet to be accepted as it is treated as unbilled revenue. and If the data has been flown and/or processed but not submitted then the same is recognised as Work in progress.
2.04	**Other income**
	Interest income is accounted on accrual basis.
2.05	**Employee benefits**
	Leave Policy
	There is no policy of leave encashment. If the leaves are not availed during the year then the same will be lapsed and cannot be carried forward to the next year.
	Gratuity
	The Company's gratuity plan is a defined benefit plan. Present value of obligations under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation, The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.
	Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.
2.06	**Leases**
	Leases, where lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight- line basis over the lease term.
2.07	**Inventory**
·	Inventory of Stores and Spares is valued on the basis of Cost price.
·	Inventory of stock in trade is valued at lower of cost or net reliasable value whichever is less.
2.08	**Earnings per share**
	Basic earnings per share is computed by dividing the profit / (loss) after tax and excluding extraordinary and exceptional items divided by the weighted average number of equity shares outstanding during the year.

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note	Particulars
2.09	**Taxes on income**
(I)	Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
(ii)	Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.
	Deferred tax asset has been calculated on current assessment year loss as there is virtual certainty with convincing evidence that company will be able to recover losses in near
2.10	**Provisions**
	A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
2.11	**GST input credit**
	GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.
2.12	**IPO Expense**
	IPO expenses are debited to the Security Premium account under reserve and surplus.
2.13	**Property, Plant & Equipment and Intangible Assets**
	Property, Plant & Equipment and Intangible Assets are stated at their original cost and include all expenses relating to their acquisition and installation.
2.14	**Depreciation Amortization**
·	Depreciation on Property, Plant & Equipment and Intangible Assets has been provided on written down value method in terms of life span of assets as specified in Schedule II of the Companies Act, 2013. In Schedule II of Companies Act 2013 no useful life particularly for Drones is mentioned, thus, the company has considered the useful life of Drones under Plant and Machinery of five (5) years.
·	Depreciation on lease hold improvement is amortised on period of lease including the first extendable lease period.
2.15	**Impairment/Discarding of Assets**
	The company periodically assesses using internal sources (keeping in view the nature of assets at present) whether there is an indication that an asset may be impaired. The difference between the book value and recoverable value of relevant assets being Impairment loss, when crystallizes, is charged against revenue of the year.
2.16	**Foreign Currency Transactions**
	Foreign exchange transactions during the year are recorded at the exchange rate prevailing on the date of the transaction. Gains or losses arising out of fluctuations in exchange rate between transaction date and settlement date are recognized in the Statement of Profit and Loss.
2.17	**Current and non-current classification**
	All assets and liabilities are classified into current and non-current.
	Assets
	An asset is classified as current when it satisfies any of the following criteria :-
	It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle,
	It is held for the purpose of being traded,
	It is expected to be realized within 12 months after the reporting date, or
	It is cash or cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
	Current assets include the current portion of non-current financial Assets.
	All other assets are classified as non-current.
	Liability
	A Liability is classified as current when it satisfies any of the following criteria:-
	It is expected to be settled in the company's normal operating cycle,
	It is held Primarily for the purpose of being traded,
	It is due to be settled within 12 months from the reporting date, or
	The company does not have an unconditional right to defer settlement of liability at least 12 months after the reporting date. Terms of the liability that could at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.
	Current liabilities include the current portion of non-current financial liabilities.
	All other liabilities are classified as non-current.
2.18	**Cash and cash Equivalents**
	Cash and cash equivalent Cash and cash equivalents comprise cash balances on hand, cash balance with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.
2.19	**Operating Cycle**
	Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, Based on the nature of activities and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle within twelve months for the purposes of current/ non-current classification of its assets and liabilities

Drone Destination Limited

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Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 3 Share Capital

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	As at March 2026		As at March 2025	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised	3,00,00,000	3,00,000.00	3,00,00,000	3,00,000.00
3,00,00,000 Equity shares of Rs.10/- each with voting rights				
(PY 3,00,00,000 equity shares of Rs. 10 each)				
(b) Issued, Subscribed and Fully paid up	2,43,99,998	2,43,999.98	2,43,99,998	2,43,999.98
2,43,99,998 Equity shares of Rs.10 each with voting rights				
(PY 2,43,99,998 equity shares of Rs. 10 each)				
Total	**2,43,99,998**	**2,43,999.98**	**2,43,99,998**	**2,43,999.98**

List of Shareholders holding more than 5% share capital

Current reporting period

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Shashi Bala	1,29,96,000	53.26	10.00	1,29,960.00
Chirag Sharma	18,72,500	7.67	10.00	18,725.00
TOTAL	**1,48,68,500**			**1,48,685.00**

Previous reporting period

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Shashi Bala	1,29,96,000	53.26	10.00	1,29,960.00
Chirag Sharma	18,72,500	7.67	10.00	18,725.00
TOTAL	**1,48,68,500**			**1,48,685.00**

Note - 3A Shares held by promotors

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Shashi Bala	1,29,96,000	53.26%	0.00%
2	Chirag Sharma	18,72,500	7.67%	0.00%
3	Renu Bassi	5,500	0.02%	0.00%
4	Nidhi Sharma	7,000	0.03%	0.00%
5	Vivek Sharma	6,000	0.02%	0.00%
6	Kapil Rana	3,500	0.01%	0.00%

Previous reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Shashi Bala	1,29,96,000	53.26%	0.00%
2	Chirag Sharma	18,72,500	7.67%	0.00%
3	Renu Bassi	5,500	0.02%	-47.62%
4	Nidhi Sharma	7,000	0.03%	0.00%
5	Vivek Sharma	6,000	0.02%	-14.29%
6	Kapil Rana	3,500	0.01%	0.00%

Note- 3B Statements of changes in equity

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
2,43,999.98	-	-	-	2,43,999.98

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
2,42,999.98	-	-	1,000.00	2,43,999.98

Note - 3C Terms / Right attached to equity shareholders

i)The company has only one class of equity shares having a par value of Rs 10 per share . Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Note - 4 RESERVES AND SURPLUS

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Security Premium		
Opening balance	3,45,751.06	3,01,501.06
Addition during the year for Warrants	-	44,250.00
Closing Balance	**3,45,751.06**	**3,45,751.06**
Capital Reserve		
Opening balance	-	-
Add : Forefeiture of Warrants	1,500.00	-
Closing Balance	**1,500.00**	**-**
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	3,693.14	71,831.67
Add: Profit / (Loss) for the year	11,720.76	-68,138.53
Closing balance	**15,413.90**	**3,693.14**
Total	**3,62,664.96**	**3,49,444.21**

Note - 4A Money Received against warrants

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Partly paid up warrants		
Opening balance	1,500.00	-
Addition during the year for 6 Lakhs partly paid up warrants	-	1,500.00
Less : Forefieted	1,500.00	-
Total	**-**	**1,500.00**

During the year, the company has issued no warrants (PY 7 lakhs partly paid up warrants). During the year no amount has been received against partly paid up warrants (PY Out of this full amount was received for 1 Lakh warrants and the same were converted into Equity Shares On balance 6 lakhs warrants 25% amount has been received.)

Note - 5 LONG TERM BORROWINGS

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
A) SECURED LOANS (Ref Note i)		
Term Loan from Bank		
Vehicle Loans from ICICI Bank Ltd **(Ref note ii)**	16,591.29	37,220.51
Vehicle Loans from Indusind Bank Ltd	-	2,325.94
Term Loan from HDFC Bank **(Ref note iii)**	68,497.37	-
Total	**85,088.65**	**39,546.46**

Note (i) : Term Loan from bank is for Car and Eeco Vans, secured against hypothication of these Cars and same is repayable in EMIs.

(ii) : The company has not filed charge form with MCA, however these loans are treated as secured loans because on the registration certificates of the vehicles hypothecation has been marked.

(iii) Term loan from HDFC is against pledge of FDRs. The company has not filed charge with MCA however this loan is treated as secured loan because the same is against pledge of FDR.

The company has not defaulted in repayment of any Loan and Interest.

Note - 6 LONG TERM PROVISIONS

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Provision for Employee Benefits		
Gratuity	3,151.23	1,804.69
Total	**3,151.23**	**1,804.69**

Note - 7 SHORT TERM BORROWINGS

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Secured Loans		
Term Loan from Bank (Ref Note 1)		
Vehicle Loans from ICICI Bank Ltd **(Ref note 1a)**	20,639.19	20,702.99
Vehicle Loans from Indusind Bank Ltd	509.63	917.93
Term Loan from HDFC Bank **(Ref Note 2)**	17,833.85	-
O/D account with ICICI Bank **(Ref Note 3)**	1,12,408.80	96,589.73
	1,51,391.46	**1,18,210.65**
Unsecured Loans		
Term Loan from Bank		
Loan from ICICI Bank	-	779.19
Loan from IDFC Bank	-	1150.96
	-	**1930.14**
TOTAL	**1,51,391.46**	**120140.79**

Note 1 - Term Loan from bank is for Car and Eeco Vans, secured against hypothication of these Cars and the same is repayable in EMIs.

(1a) : The company has not filed charge form with MCA, however these loans are treated as secured loans because on the registration certificates of the vehicles hypothecation has been marked.

Note - 2 Term loan from HDFC is against pledge of FDRs.The company has not filed charge with MCA however this loan is treated as secured loan because the same is against pledge of FDR.

Note - 3 Balance outstanding against the Cash Credit Limit of Rs 16 Crores secured against pledge of Fixed Deposit of Rs 08 Crores and Hypothication of Inventory and Debtors.

Note - 8 TRADE PAYABLES

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Trade payables for Goods and Services		
Micro and Small Enterprises	20,174.59	16,612.60
Other than Micro and Small enterprises	20,575.12	3,575.45
Total	**40,749.71**	**20,188.05**

AGEING SCHEDULE FOR TRADE PAYABLES
Figures For the Current Reporting Period

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	20,174.59	-	-	-	20,174.59
Others	20,327.77	247.35	-	-	20,575.12
Dispute dues-MSME	-	-	-	-	-
Dispute dues - others	-	-	-	-	-
Total	40,502.36	247.35	-	-	40,749.71

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	16,612.60	-	-	-	16,612.60
Others	2,272.15	1,303.31	-	-	3,575.45
Dispute dues-MSME	-	-	-	-	-
Dispute dues - others	-	-	-	-	-
Total	18,884.75	1,303.31	-	-	20,188.05

Note - 9 OTHER CURRENT LIABILITIES

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Advance from Customers	1,990.3	3,161.15
Salary Payable	6,762.9	8,608.29
Statutory Dues	649.5	1,211.00
Other Expenses Payable	3,044.1	2,663.61
Total	**12,446.82**	**15,644.05**

Note - 10 SHORT TERM PROVISIONS

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Provisions		
Provision for Gratuity	75.39	4.83
Total	**75.39**	**4.83**

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Statement of Fixed Assets as on 31st March 2026

Note - 11

All amounts in Indian ₹ in Thousand, unless otherwise stated

PARTICULARS	Gross Block				Depreciation				Net Block	
	As on 01-04-2025	Additions during the year	Sale during the year	As on 31-03-2026	As on 01-04-2025	For the year	Depreciation written off	As on 31-03-2026	As on 31-03-2026	As on 31-03-2025
A) Tangible Assets										
Office Equipment	5,925.55	24,767.21	-	30,692.76	3,215.95	1,574.28	-	4,790.23	25,902.53	2,709.60
(Previous Year)	4,285.77	1,639.78	-	5,925.55	1,421.40	1,794.54	-	3,215.95	2,709.60	2,864.36
Vehicles	91,005.92	255.00	479.17	90,781.75	24,708.05	13,250.81	385.83	37,573.04	53,208.71	66,297.87
(Previous Year)	42,369.05	48,636.87	-	91,005.92	10,193.44	14,514.62	-	24,708.05	66,297.87	32,175.61
Furniture & Fixtures	10,859.38	1,086.15	-	11,945.53	1,736.81	2,796.75	-	4,533.57	7,411.96	9,122.57
(Previous Year)	3,611.01	7,248.37	-	10,859.38	901.16	835.65	-	1,736.81	9,122.57	2,709.85
Computer & Peripherals	20,293.57	301.98	-	20,595.55	13,494.83	1,796.51	-	15,291.34	5,304.22	6,798.74
(Previous Year)	15,703.57	4,590.00	-	20,293.57	6,973.73	6,521.10	-	13,494.83	6,798.74	8,729.84
Plant & Machinery	1,50,598.28	3,112.45	-	1,53,710.72	82,113.18	38,179.87	-	1,20,293.05	33,417.67	68,485.09
(Previous Year)	1,14,740.83	35,857.45	-	1,50,598.28	30,507.49	51,605.69	-	82,113.18	68,485.09	84,233.33
Lease Hold Improvement	17,596.10	3,789.91	-	21,386.02	4,586.74	2,469.29	-	7,056.03	14,329.99	13,009.36
(Previous Year)	16,405.76	1,190.34	-	17,596.10	2,371.89	2,214.85	-	4,586.74	13,009.36	14,033.87
Building										
Temp Building	45.50	-	-	45.50	43.74	-	-	43.74	1.77	1.77
(Previous Year)	45.50	-	-	45.50	43.74	-	-	43.74	1.77	1.77
Factory Shed	8,750.00	-	-	8,750.00	34.63	827.21	-	861.84	7,888.16	8,715.37
(Previous Year)	0.00	8,750.00	-	8,750.00	0.00	34.63	-	34.63	8,715.37	-
Total	**3,05,074.30**	**33,312.70**	**4,79,167.00**	**3,37,907.83**	**1,29,933.93**	**60,894.73**	**3,85,825.00**	**1,90,442.84**	**1,47,465.00**	**1,75,140.37**
Total (Previous Year)	**1,97,161.48**	**1,07,912.82**	**-**	**3,05,074.30**	**52,412.84**	**77,521.09**	**0.00**	**1,29,933.93**	**1,75,140.37**	**1,44,748.64**
B) Intangible Assets										
Software	5,497.87	4,582.00	-	10,079.87	2,866.89	2,458.27	-	5,325.16	4,754.71	2,630.98
(Previous Year)	2,520.17	2,977.70	-	5,497.87	1,417.96	1,448.93	-	2,866.89	2,630.98	1,102.21
Total	**5,497.87**	**4,582.00**	**-**	**10,079.87**	**2,866.89**	**2,458.27**	**-**	**5,325.16**	**4,754.71**	**2,630.98**
Total (Previous Year)	**2,520.17**	**2,977.70**	**-**	**5,497.87**	**1,417.96**	**1,448.93**	**-**	**2,866.89**	**2,630.98**	**1,102.21**
C) Capital Work in Progress										
Factory Shed	-	-	-	-	-	-	-	-	-	-
(Previous Year)	5,000.00	3,750.00	8,750.00	-	-	-	-	-	-	5,000.00
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (Previous Year)	**5,000.00**	**3,750.00**	**8,750.00**	**-**	**-**	**-**	**-**	**-**	**-**	**5,000.00**
D) Intangible Assets under development										
Website and App	2,640.00	-	2,640.00	-	-	-	-	-	-	2,640.00
(Previous Year)	2,640.00	-	-	2,640.00	-	-	-	-	2,640.00	2,640.00
Total	**2,640.00**	**-**	**2,640.00**	**0.00**	**-**	**-**	**-**	**-**	**0.00**	**2,640.00**
(Previous Year)	**2,640.00**	**-**	**-**	**2,640.00**	**-**	**-**	**-**	**-**	**2,640.00**	**2,640.00**

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 12 Other Non Current Assets

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Security Deposits	7,081.53	4,151.09
Security Deposits - Related Party **(Ref note 29.2)**	1,500.00	1,500.00
Total	**8,581.53**	**5,651.09**

Note - 13 Inventories

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Stock in Trade	17,41,25,514.69	1,62,495.51
Stores and Spares	1,30,63,580.63	6,864.21
Total	**18,71,89,095.32**	**1,69,359.72**

Inventory is hypothecated against the Cash Credit Limit with ICICI Bank Ltd

Note - 14 Trade Receivables

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Trade Receivables (Unsecured, considered good)	2,48,329.17	1,59,018.50
Unbilled Revenue*	29,216.82	20,006.10
Total	**2,77,545.98**	**1,79,024.60**

*Largely pertains to the Govt related activities undertaken through third parties. Whilst the company has finished work in its scope, but the third parties have requested for billing only after onward acceptance by Government bodies. Since the technology is new and the government bodies are checking and finalizing the accuracy and completeness of data with comparison to actual physical map records available with the government departments being the reason that they are able to process and approve data rather slowly. Management is confident, the same will be billed and approved in the coming year and complete payment will be realised.

For trade receivable ref note 40(iii)

Debtors are hypothecated against the Cash Credit Limit with ICICI Bank Ltd

Ageing Schedule for Trade receivables

Figures for the current reporting period

Particulars	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables- Considered Goods	1,36,279.98	34,322.96	77,726.23	-	-	-
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,36,279.98	34,322.96	77,726.23	-	-	0.00

Figures for the previous reporting period

Particulars	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables- Considered Goods	64,793.84	53,774.23	40,450.43	-	-	1,59,018.50
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	64,793.84	53,774.23	40,450.43	-	-	1,59,018.50

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Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 15 Cash and Cash Equivalents

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
A) Cash on hand	3,344.29	2,909.90
B) Balances with banks in current accounts		
ICICI A/c - 004605018353	-	21,280.54
ICICI A/c - 004605017063	95.77	9.86
ICICI A/c - 004605020048	66.02	66.02
HDFC A/c - 50200067945472	4,765.93	2,899.31
HDFC A/c - 50200107824509	4,486.84	110.36
Fixed Deposits (having maturity of more than 12 Months)	1,84,921.89	1,47,488.37
Total	**1,97,680.74**	**1,74,764.38**

Note - Out of Fixed Deposits, Rs 8 Crores is pledged with ICICI Bank Ltd against Cash Credit Limit of Rs 16 Crores and Rs 5 Crores is pledged with HDFC Bank Ltd against term loan of Rs 10 Crores.

Note - 16 Short Term Loans and Advances

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Unsecured, Considered Good		
Advance for Capital Goods to Related Parties (Ref note 29.2)	7,461.30	6,802.10
Advance for other trading goods to Related Parties (Ref note 29.2)	15,120.98	7,500.00
Advances to other Suppliers	17,977.24	11,386.24
Other advances	8,196.20	8,142.59
Total	**48,755.71**	**33,830.93**

Note - Advance for Capital Goods and Trading Goods to Related Parties has been paid to a group companies for purchase of Drones, their Components and Agri Input.

Note - 17 Other Current Assets

Particulars	As at March 2026	As at March 2025
	Rs.	Rs.
Prepaid Expenses	979.45	1,220.30
Imprest to Staff	4,841.49	3,678.81
Other receivables	2,555.00	-
Balance with revenue authorities	3,942.56	20,653.06
Total	**12,318.50**	**25,552.16**

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Note - 18 Revenue from Operations — **All amounts in Indian ₹ in Thousand, unless otherwise stated**

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Income from Sale	1,55,944.05	35,653.95
Income from Services	1,94,718.10	2,13,320.34
Total	**3,50,662.15**	**2,48,974.30**

Note 18.1 Income from Sale

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Sale of Agri Input	80,941.63	0.00
Sale of Drones and Parts	75,002.42	35,653.95
Total	**1,55,944.05**	**35,653.95**

Note 18.2 Revenue from services comprises

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Training & Facilitation Income	36,475.19	79,568.47
Survey and Mapping Income (ref note below)	1,04,914.18	40,254.63
Drone Annual Maintenance Income	2,835.83	0.00
Drone and Equipement Rental Income	8,600.00	23,905.00
Agri Drone Spray and Demo Services	28,313.28	44,701.48
Consultancy for Drone Services	13,579.62	24,890.76
Total	**1,94,718.10**	**2,13,320.34**

Note : Survery and Mapping income includes unbilled revenue of Rs 25,508.05 (PY Rs 20,006.10) (In thousand)

Note - 19 Other Income

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Other Misc Income	520.75	866.45
Interest on Fixed Deposits	15,126.13	7,556.57
Total	**15,646.88**	**8,423.02**

Note - 20 Cost of Stores and Spares consumed and sold — **INR in Thousand**

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Opening stock	6,864.21	5,469.01
Purchases	16,405.25	2,717.59
Freight	-	-
	23,269.46	8,186.61
Less: Closing stock	13,063.58	6,864.21
Cost of Stores and Spares Sold	**10,205.88**	**1,322.40**

Note - 21 Purchase of Stock In Trade

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Purchase		
Trading Goods (ref note 29.2)	86,943.85	1,66,563.31
Total	**86,943.85**	**1,66,563.31**

Note - 22 Change in Inventory

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Inventories at the end of the year		
Stock in Trade	1,74,125.51	1,62,495.51
Inventories at the beginning of the year		
Stock in Trade	1,62,495.51	20,000.00
Net (Increase) /Decrease	**-11,630.00**	**-1,42,495.51**

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 23 Employee Benefits Expense

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Salaries and Wages	40,378.04	61,453.24
Directors Remuneration	6,439.54	8,673.39
Contribution to Provident and other Funds	2,087.96	3,928.00
Gratuity	1,417.11	770.68
Staff Welfare	3,025.58	2,079.88
Total	**53,348.22**	**76,905.19**

Note - 24 FINANCE COST

All amounts in Indian ₹ in Thousand, unless otherwise stated

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Bank & Other finance charges	1,788.29	2,138.12
Interest on Statutory Dues	70.03	1,438.38
Interest on Bank Loan	27,256.19	10,942.54
Total	**29,114.51**	**14,519.05**

Note - 25 Other Expense

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Advertisement Expenses	214.76	680.11
Event and Marketing Expenses	6,257.22	8,668.56
Bad Debts	-340.27	3,649.25
Corporate Social Responsibility	0.00	875.00
Donation	125.00	121.00
Agrispray and Demo Expenses	14,940.89	31,681.76
DGCA & Other Fee	433.65	853.25
Power & Fuel Expense	2,652.23	2,943.63
Insurance Expense	3,908.29	2,587.70
Loss on sale of Fixed Assets	12.36	-
Office Expense	6,001.61	6,664.87
Payments to auditors (Refer Note below)	1,281.00	1,267.50
Postage & Courier	394.69	415.15
Printing and Stationery Expense	1,032.73	1,464.78
Professional & Consultancy Expense	2,304.18	6,382.25
Prior Period Expenses	1,408.06	215.12
Rent Expense (ref note below)	17,394.63	16,461.63
Membership & Subscription Expenses	4,036.65	1,534.66
Survey and Mapping Expenses	29,413.58	8,742.10
Stock Exchange Expenses	848.13	937.40
Repair & Maintenance	1,677.63	1,170.97
Unbilled Revenue written off	0.00	33,214.60
MCA Filling Expenses	37.34	418.34
Forex Gain/Loss	20.37	-
Training Expenses	40.00	4,814.28
Telephone & Internet	1,064.75	1,376.72
Travelling & Conveyance Expense	12,172.57	8,300.29
Transportation Expenses	1,859.93	0.00
Vehicle Running & Maintenance	5,125.56	4,103.41
Water Expense	35.68	344.12
Website Expense	450.13	357.43
Total	**1,14,803.33**	**1,50,245.89**

Note:

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Rs.	Rs.
Payment to the auditors comprises:		
As auditors - statutory audit	1,000.00	1,000.00
As auditors - tax audit	200.00	200.00
Other Certification Services	81.00	67.50
Total	**1,281.00**	**1,267.50**

Note : Rent expenses inlcude Rs 30,00,000/- paid to the related parties.

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note 26 Additional information to the financial statements

Note	Particulars		
26.1	**Contingent liabilities and commitments**		
(i)	Contingent Liabilities		
	As per information provided by the management there is no contingent liability.		
(ii)	Capital and other Commitments		
		As at 31st March 2026	**As at March 31, 2025**
	Estimated amount of contracts remaining to be executed on capital account - net of advances and Capital	-	1,500.00
	Total	-	1,500.00
	Capital contracts primarily comprises of commitments for Infrastructure facility and for website and app development.		
26.2	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	Particulars	**As on 31st March 2026**	**As on 31st March 2025**
	1. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	20,174.59	16,612.60
	2. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
	3. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
	4. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED act, beyond the appointed day during the year.	-	-
	5. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
	6. Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
	7. Further **interest remaining due and payable** for earlier years	-	2159.96
		For the year ended 31 March, 2026	**For the year ended 31 March, 2025**
26.3	**Value of imports calculated on CIF basis**		
	Raw Materials	-	-
	Stores and spares	-	-
	Capital goods	1,984.13	-
26.4	**Expenditure in foreign currency**	931.80	499.44
26.5	**Earnings in foreign exchange**		
	i) Export of Goods	-	-
	ii) Royalty, know how, professional and consultation fees	-	-
	iii) Interest and dividend	-	-
	iv) Other income	-	-
26.6	In the opinion of the Directors of the Company, the Current Assets, Loans & advances have a value which on realisation in the ordinary course of business is at least equal to the amount at which they are stated and provisions for all known liabilities have been made.		

Note - 27 Employee Benefits (AS 15)

Defined Contribution Plan

The company's employee provident fund scheme is a defined contribution plan a sum of Rs. 20,29,110/- (PY Rs 36,31,422/-) has been recongnised and shown under employee benefits.

Defined benefit plans - Gratuity

Gratuity is payable to all eligible employees of the company on superannuation, death or permanent disablement, in terms of the provisions of the payment of gratuity act, 1972.

Figures in INR Thousand

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Changes in the present value of defined benefit obligation		
Projected benefit obligation at the beginning of year	1,809.52	1,038.84
Current service cost	647.97	883.23
Past service Cost	1,633.90	0.00
Interest cost	122.69	75.11
Actuarial Loss/(gain)	-987.45	-187.66
Benefits paid	-	-
Projected benefit obligation at the end of the year	3,226.62	1,809.52
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Benefit paid	-	-
Actual (loss)/gain	-	-
Fair value of plan assets at the end of the year	-	-

Amount recognised in the balance sheet		
Projected benefit obligation at the end of the year	3,226.62	1,809.52
Fair value of plan assets at the end of the year	-	-
Funded status of the plans - Asset recognised in the Balance Sheet	-	-
Net asset/(liability) recognised in the balance sheet	3,226.62	1,809.52
Expense recognised in the profit and loss account		
Current service cost	647.97	883.23
Past service cost	1,633.90	
Interest cost on benefit obligation	122.69	75.11
Expected return on plan assets	-	-
Net Actuarial (gain)/ Loss recognised in the year	-987.45	-187.66
Gratuity cost	**1,417.11**	**770.68**
Prior Period Adjustment	-	-
Net Gratuity Cost	**1,417.11**	**770.68**

Note - 28 Segment Reporting (AS 17)

As the company operates in different segments there is a separate reporting of segments as per AS 17 'Segment Reporting'.

Note - 29 Disclosures under Accounting Standards (AS 18)

As per Accounting Standard 18 on 'Related Party Disclosure' prescribed by the companies (Accounting Standards) Rules, 2006 issued by the central government, in consultation with the National Advisory Committee on Accounting Standards, the disclosure of transactions with the related parties as defined in the Accounting standard are given below:-

Note - 29.1

S. No	Name of related party	Nature of Relationship
Key Managerial Personal		
1	Shashi Bala	Director
2	Chirag Sharma	Managing Director
Associates Enterprises		
1	Hubblefly Technologies Ltd	Enterprises in which Director exercising
2	Agristar Technologies Pvt Ltd	Enterprises in which Director exercising
3	Drone Soccer Association India	Enterprises in which Director exercising
4	Hubblefly Batteries Pvt Ltd	Enterprises in which Director exercising
Others		
1	Alok Sharma	Relative of Director
2	Nidhi Sharma	Relative of Director
3	Vivek Sharma	Relative of Director

Note 29.2 - Details of related party transactions during the year ended 31st March 2026 — INR in Thousand

	Nature of transaction	Key Managerial Personal	Associate Enterprises	Other
(a)	**Rent**			
	31st March 2026			
	Shashi Bala	1,500.00	-	-
	Alok Sharma	-	-	1,500.00
	31st March 2025			
	Shashi Bala	1,500.00	-	-
	Alok Sharma	-	-	1,500.00
(b)	**Director Remuneration**			
	31st March 2026			
	Chirag Sharma	4,049.61	-	-
	Shashi Bala	2,389.93	-	-
	31st March 2025			
	Chirag Sharma	5,466.53	-	-
	Shashi Bala	3,206.86	-	-
(c)	**Salary**			
	31st March 2026			
	Alok Sharma	-	-	4,049.61
	Vivek Sharma	-	-	565.60
	31st March 2025			
	Alok Sharma	-	-	5,473.74
	Vivek Sharma	-	-	352.20
	Nidhi Sharma	-	-	213.20
(d)	**Purchases of Capital Goods and Inventory**			
	31st March 2026			
	Hubblefly Technologies Ltd	-	27,621.31	-
	Agristar Technologies Pvt Ltd	-	34,120.38	-
	Hubblefly Batteries Pvt Ltd	-	1,465.27	-
	31st March 2025			
	Hubblefly Technoloiges Ltd	-	1,23,635.43	-
(e)	**Sales**			
	31st March 2026			
	Hubblefly Technologies Ltd	-	0.83	-
(f)	**Advance for purchase of Capital Goods and Inventory**			
	31st March 2026			
	Hubblefly Technoloiges Ltd	-	7,461.30	-
	Hubblefly Batteries Pvt Ltd	-	15,120.98	-
	31st March 2025			
	Hubblefly Technoloiges Ltd		6,802.10	
	Agristar Technologies Pvt Ltd	-	7,500.00	-
(g)	**Reimbursement of Exp**			
	31st March 2026			
	Vivek Sharma	-	-	10.10
	31st March 2025			
	Hubblefly Technoloiges Ltd	-	7,860.00	-
	Vivek Sharma	-	-	170.00

Note 29.3 - Balance outstanding

Note	Particulars	Key Managerial Personal	Associate Enterprises	Other
	Salary Payables			
	31st March 2026	1,357.56	19,092.58	263.91
	31st March 2025	798.31	-	434.11
	Advance for Capital Goods and Inventory			
	31st March 2026	-	22,582.27	-
	31st March 2025	-	14,302.10	-
	Security Deposits			
	31st March 2026	1,500.00	-	-
	31st March 2025	1,500.00	-	-
	Other Advances			
	31st March 2026	-	-	-
	31st March 2025	-	1,000.00	-

Note - 30 Disclosures for Leases (AS 19)

The lease rentals charged during the year and maximum obligation on long term, non cancellable operating leases payable are as per the rentals in the respective agreements. Lease payments made under operating leases amounting to Rs. 67,20,090.64 (PY Rs. 62,03,549.39) have been recognised as an expense in the statement of profit and loss. Most of the leases entered by the company are medium and long term in nature and the underlying leases are commensurate with company's current and future operational plan.

The total of future minimum lease payments under non cancellable operating lease are as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Payable within one year	6,814.34	6,144.19
Payable between one and five years	34,071.70	30,720.96

Note - 31 Disclosures under Accounting Standards (AS 20)

Note	Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
		Amount	Amount
	Earnings per share (of ₹ 10 each)		
	Basic		
	Net profit / (loss) for the year attributable to the equity shareholders	11,720.76	-68,138.53
	Weighted average number of equity shares	2,43,99,998	2,42,58,080
	Par value per share	10.00	10.00
	Earnings per share - Basic	0.48	-2.81
Note:	*Reconciliation of numerator taken for calculating EPS with net profit or loss for the period*		
	Net profit/(loss) for the period	*11,720.76*	*-68,138.53*
	Less: Exceptional item	*0.00*	*0.00*
	Profit after tax excluding extraordinary or exceptional items	*11,720.76*	*-68,138.53*

Note - 32 Disclosures under Accounting Standards (AS 22)

Note	Particulars	As at 31 March, 2026	As at 31 March, 2025
		Amount	Amount
	Deferred tax (liability) / asset		
	Tax effect of items constituting deferred tax liability		
	Opening Balance		3,184.32
	On difference between book balance and tax balance of fixed assets	-	-
	on business loss	-11,835.60	-
	Tax effect of items constituting deferred tax liability	-11,835.60	3,184.32
	Tax effect of items constituting deferred tax assets		
	Opening Balance	23,678.82	-
	On business loss	-	10,936.46
	On difference between book balance and tax balance of fixed assets	3,077.06	9,364.07
	On ac of other timing difference	356.66	193.96
	Tax effect of items constituting deferred tax assets	27,112.54	20,494.50
	Net Deferred Tax (Liability) / Asset for the year	15,276.94	23,678.82
	PY deferred tax adjustment	-	-
	Net Deferred Tax (Liability) / Asset (BS)	15,276.94	23,678.82

Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 33 Borrowings from Banks and Financial Institutions on the basis of security against Current Assets

The company has availed Cash credit limit of 8 Crores against hypothecation of Inventory and book debts.

Half-Yearly	As per Statement submitted at Bank		Amount as per books of account (B)		Difference Reason	
	Book Debts	**Inventory**	**Book Debts**	**Inventory**	**Book Debts**	**Inventory**
Sep-25	2,22,314.60	1,73,791.99	2,22,314.60	1,73,792.99	-	-
Mar-26	2,77,545.98	1,87,189.10	2,77,545.98	1,87,189.10	-	-

Note - 34

There are no loans and advances in the nature of loans which are granted to related parties (as defined under Companies Act 2013) that are
a) Repayable on Demands or
b) Without specifying any terms or period of repayment

Note - 35 Details of expenditure on Corporate Social Responsibility

For the FY 25-26 NIL (PY 875.00 thousand), the company does not require to spend any amount as CSR expense.

Note - 36 Registration of charges or satisfaction with Registrar of Companies.

During the year, the company has availed term loan of Rs 10,00,00,000/- for working capital from HDFC Bank Ltd, for which no charge has been filed with the MCA.

Note - 37 Transaction with companies struck off under section 248/56 of Companies Act, 2013.

The company has no transactions with any struck off companies u/s 248 of the Act.

Note - 38 Statutory Fillings with MCA

The company has filed MGT-7 for the FY ending 2025 on 20th Jan 2026.
The company has filed AOC-4 for the FY ending 2025 on 19th Jan 2026.
Filing of Annual Return in form AOC-4 and MGT- 7 is within due date.
Other forms for issue of share warrants and equity shares have been filed within due time.

Note - 39 Other Notes

(i) Financial statements are prepared as per requirement of the Schedule III of the Companies Act, 2013.
(ii) During the year, the company has issued no warrants (PY 7 lakhs partly paid up warrants). During the year no amount has been received against partly paid up warrants (PY
(iii) Sundry Debtors balances are subject to reconciliation of final TDS amount deducted by the customers.
(iv) The Company does not have any immovable property whose title deed is not held in name of the company.
(v) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(vi) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
(vii) Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(viii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(ix) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
(x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Drone Destination Limited
(Formerly known as Drone Destination Private Limited)
Reg Office : Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi - 110020
CIN: L60200DL2019PLC349951
Notes forming part of the Financial Statements for the year ended 31st March, 2026

Note - 40 Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change	Reason for change >5%
Debt Equity Ratio	Debt Capital	Shareholder's Equity	0.39	0.27	45.23%	Increase in borrowings availed to fund working capital
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	0.29	-1.45	119.74%	EBITDA turned positive
Return on Equity Ratio	Net Profit for the year	Shareholder's Equity	0.02	-0.11	116.83%	Turnaround from a net loss to a net profit during the year, driven by revenue growth
Inventory Turnover Ratio	COGS	Average Inventory	0.48	0.26	84.05%	Higher cost of goods sold in line with revenue growth
Trade Receivables turnover ratio	Net Sales	Average trade receivables	1.54	1.35	13.71%	Improvement in collection
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Average Trade Payables	0.59	3.98	-85.30%	Increase in average trade payables as the company expanding operations, lengthening the payment cycle.
Net capital turnover ratio	Sales	Working capital (CA-CL)	0.69	0.58	18.14%	Sales grew faster than the increase in net working capital, improving capital efficiency.
Net profit ratio	Net Profit	Sales	0.03	-0.27	112.21%	Return to profitability as revenue grew while total expenses remained largely flat
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.08	-0.12	162.60%	EBIT turned positive on the back of profitable contributions from segments.
Return on Investment	Net Profit	Investment	NA	NA	NA	

Note - 41 Previous year's figures

Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year figures.

Note No. 1 to 41 form integral part of Balance Sheet & Profit & Loss A/c

For G A M S & ASSOCIATES LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants	**Drone Destination Limited**	
Firm Regn. No. N500094		
	Sd/-	**Sd/-**
	Chirag Sharma	**Shashi Bala**
Sd/-	**Managing Director**	**Director**
	DIN : 05271919	**DIN : 01547327**
CA S C Singhal	**Sd/-**	**Sd/-**
Partner		
M. No. 088157	**Arun Kumar**	**Ayushi Gupta**
Place: New Delhi	**Chief Financial Officer**	**Company Secretary**
Date: 29/05/26	**PAN: APYPA9884K**	**M No. A49249**
UDIN: 26088157KAYRFW4114		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **7th Annual General Meeting** ("**AGM**") of the Members of Drone Destination Limited ("**the Company**") will be held on **Tuesday, 29th day of September, 2026 at 11:30 A.M. at Conference Hall, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi, India, 110020** to transact the following business:

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026, INCLUDING THE AUDITED BALANCE SHEET AS AT MARCH 31, 2026, THE STATEMENT OF PROFIT AND LOSS AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026 and the reports of the Board of Directors and Statutory Auditors thereon, as circulated to the Members, be and are hereby considered and adopted**."**

2. **TO APPOINT EXECUTIVE DIRECTOR IN PLACE OF MRS. SHASHI BALA (DIN: 01547327), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act 2013 and such other applicable rules, regulations, if any, **Mrs. Shashi Bala (DIN: 01547327), Executive Director**, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as an Executive Director of the Company liable for retirement by rotation**."**

3. **<u>TO APPOINT NON-EXECUTIVE DIRECTOR IN PLACE OF MR. RAMINDER KUMAR VERMA (DIN: 10064817), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.</u>**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act 2013 and such other applicable rules, regulations, if any, **Mr. Raminder Kumar Verma (DIN: 10064817)**, **Non- Executive Director**, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Non- Executive Director of the Company liable for retirement by rotation.**"**

For and on behalf of the Board of
Directors of Drone Destination Limited

Sd/-

Ayushi Gupta

Company Secretary cum Compliance Officer

Place: New Delhi

Date: 07.09.2026

NOTES: -

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE HOLDER OF PROXY SHALL PROVE THEIR IDENTITY AT THE TIME OF ATTENDING THE MEETING.**
2. The Explanatory Statement pursuant to the provisions of Section 102(1) of the Act read with the relevant rules made thereunder, setting out the material facts concerning the business mentioned in the accompanying Notice is annexed and forms part of this Notice.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
4. The Notice of AGM and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), as per the cut-off date i.e September 05, 2026 as decided in the Board Meeting. Members who have received the Notice of AGM and Attendance Slip in electronic mode are requested to fill the Attendance Slip at the Registration Counter at the AGM.
5. The Instrument appointing the proxy, duly completed shall be deposited at the Company's registered office address not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
7. Members/Proxies/Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s), enclosed herewith duly completed and signed.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. The Company is offering the facility of voting to its Members in respect of the business to be transacted at the Annual General Meeting pursuant to the provisions of Section 107 of the Companies Act, 2013 unless a poll is demanded under Section 109 of the Companies Act, 2013.
10. The relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between Monday to Friday except public holidays, between 10:00 a.m. (IST) to 1:00 p.m. (IST) up to the date of the Meeting and also at the venue, till the conclusion of the Meeting.
11. With a view to use natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
12. Members may also note that the Notice of AGM will be available on the Company's website https://www.thedronedestination.com/. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days except Saturday and Sunday. Members who require communication may write to us at cosec@thedronedestination.com.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).
14. Mr. Ram Parvesh Yadav, Practicing Company Secretary, Proprietor of M/s RPY & Associates, has been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner.
15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, download/calculate the votes cast at the AGM and shall within 48 hours of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman/Managing Director or any other person authorized by the Chairman/Managing Director, who shall countersign the same and declare the result of the voting forthwith.
16. The results along with Scrutinizer's Report, shall be displayed at the Registered Office of the Company and placed on the Company's website at https://thedronedestination.com/. The results shall be simultaneously communicated to the Stock Exchanges where the securities of the Company are

listed. The resolution will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

17. Route map & landmark of venue of AGM is enclosed with Notice.
18. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, Passport, Aadhar card or Driving License to enter the AGM hall.
19. With reference to the Section 108 of Companies Act 2013 and Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB as per SEBI (ICDR) Regulations, 2009 are exempted from e-voting provisions. Your Company is listed on the Emerge platform of NSE. Therefore, Company is not providing an e-voting facility to its shareholders.

In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares are held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.

For and on behalf of the Board of
Directors of Drone Destination Limited

Sd/-

Ayushi Gupta

Company Secretary cum Compliance Officer

Place: New Delhi
Date: 07.09.2026

ADMISSION SLIP

ANNUAL GENERAL MEETING ON 7TH DAY, SEPTEMBER, 2026

Registered Folio / DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 **Joint Holder 2**	
Number of Shares held	

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON TUESDAY, THE 29TH DAY OF SEPTEMBER, 2026 AT 11:30 A.M. AT CONFERENCE HALL, GROUND FLOOR, NSIC-MDBP BUILDING, OKHLA INDUSTRIAL ESTATE, NEW DELHI, INDIA, 110020

....	....
Name of Member/Proxy*/ Authorised Representative (**in Block Letters**)	Signature of Member/Proxy*/ Authorised Representative

* Strike out whichever is not applicable.

1. Please bring the Attendance Slip duly signed and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Members/Proxy holders are requested to bring the copy of the Notice of Annual General Meeting and the attendance slip to the Annual General Meeting.
3. Members receiving the Notice of Annual General Meeting along with the Attendance Slip and Proxy Form through email at the address registered with the Registrar/Depository Participants are requested to print the copy of this Attendance Slip and bring the same duly signed and hand it over at the Entrance of the Meeting Hall.
4. The Company is offering the facility of voting to its Members in respect of the business to be transacted at the Annual General Meeting pursuant to the provisions of Section 107 of the Companies Act, 2013 unless a poll is demanded under Section 109 of the Companies Act, 2013.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)of the Companies (Management and Administration) Rules, 2014*]*

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name: ....
Address: ....
....
E-mail Id:...
Signature................................., or failing him

2. Name: ....
Address:..
....
E-mail Id:...
Signature................................., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/ourbehalf at the Annual General Meeting of the Company, to be held on Tuesday, the 29th day of September, 2026 at 11:30 A.M. at Conference Hall, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi, India, 110020
, and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No	**Resolutions**	**For (Approved)**	**Against (Rejected)**
	<u>ORDINARY BUSINESS</u>:		
1.	TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026,		

	INCLUDING THE AUDITED BALANCE SHEET AS AT MARCH 31, 2026, THE STATEMENT OF PROFIT AND LOSS AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.		
2.	TO APPOINT EXECUTIVE DIRECTOR IN PLACE OF MRS. SHASHI BALA (DIN: 01547327), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.		
3.	TO APPOINT NON-EXECUTIVE DIRECTOR IN PLACE OF MR. RAMINDER KUMAR VERMA (DIN: 10064817), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.		

Signed this ...... day of 2026

Affix Revenue Stamp

Signature of Shareholder
Signature of Proxy holder(s)

Notes:

*** Please put an 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For' or 'Against' column blank against any or all the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**

*** A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members**

holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

*** This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Office No. 005B & 006, Ground Floor, NSIC-MDBP Building, Okhla Industrial Estate, New Delhi, India, 110020 at not later than Forty-Eight Hours before the commencement of the aforesaid Meeting.**

***In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.**

BALLOT FORM

(To be returned to Scrutinizer appointed by Drone Destination Limited)

1. Name(s) of Member(s):
   (Including joint-holders, if any)
   ____

2. Registered Folio No. / :
   DPID No. / Client ID No.*____

   (*Applicable to Members holding shares in dematerialised form)

3. I/We hereby exercise my/our vote in respect of the Ordinary/ Special Resolutions as specified in the Notice dated Monday, September 07, 2026 to be passed for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Item No	Resolutions	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
	ORDINARY BUSINESS:		
1.	TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026, INCLUDING THE AUDITED BALANCE SHEET AS AT MARCH 31, 2026, THE STATEMENT OF PROFIT AND LOSS AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.		
2.	TO APPOINT EXECUTIVE DIRECTOR IN PLACE OF MRS. SHASHI BALA (DIN: 01547327), WHO RETIRES BY		

	ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.		
3.	TO APPOINT NON-EXECUTIVE DIRECTOR IN PLACE OF MR. RAMINDER KUMAR VERMA (DIN: 10064817), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS FOR RE-APPOINTMENT.		

Place :

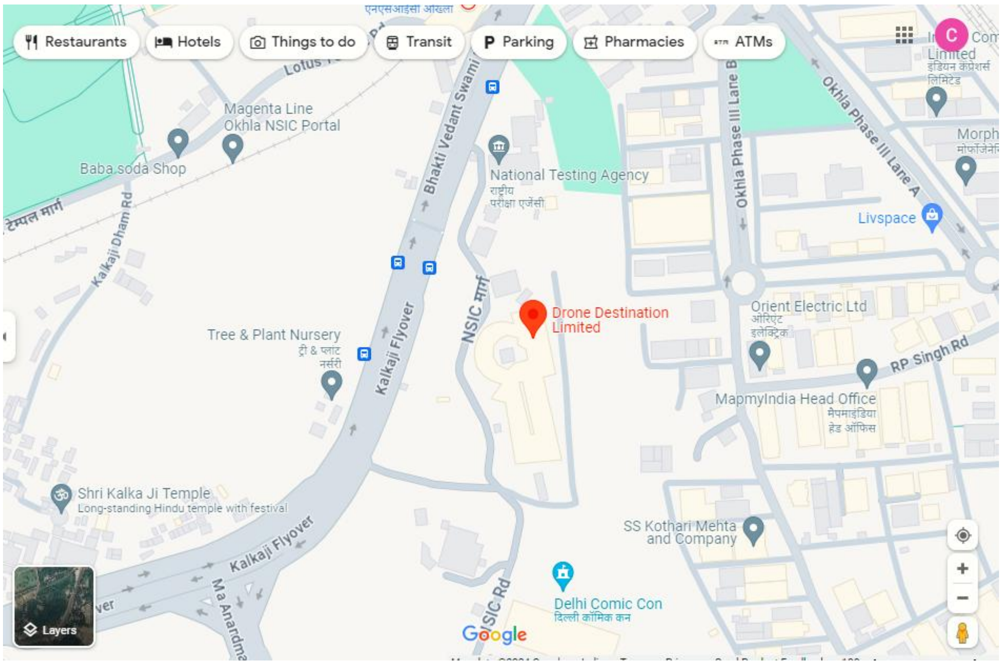
Date : Signature of Member

/ Beneficial Owner

E-Mail ___________________

Tel. No. ___________________

ROAD MAP TO THE VENUE OF THE 7th ANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 29, 2026 AT 11:30 A.M.



DRONE DESTINATION
#EverythingDrones